

Key Puzzle In Mideast: Who's First To Blink?

Dangerous Dynamic Now Driving Arafat And Netanyahu

By Douglas Jehl
New York Times Service

JERUSALEM—More than three weeks after a suicide bombing shattered a Jerusalem market, the stances maintained by Israel and the Palestinians alike have begun to set in motion a dangerous dynamic.

In insisting that the Palestinian Authority mount a widespread crackdown on Islamic militants, Prime Minister Benjamin Netanyahu has set a high bar for Yasser Arafat, who thinks he cannot accept such dictates. Rather than make

NEWS ANALYSIS

more than a token effort to jump it, Mr. Arafat has now turned for support to some of the militants whom Israel wants in prison, making it even less likely that Mr. Netanyahu will modify his demands.

With U.S. backing, Mr. Netanyahu has argued that both sides can win if Mr. Arafat begins to combat terrorism in earnest. But the public way in which Israel has pressed its demands—and backed them with economic sanctions—may have led Mr. Arafat to conclude that if Israel is seen to win, he will certainly lose.

As a top adviser to Mr. Netanyahu conceded Thursday, "It's becoming a who-blinks-first kind of thing." And by Thursday morning, when photographs of Mr. Arafat's embrace of a Hamas leader were splashed across the front pages of Israeli newspapers, the two sides appeared less willing to budge than at any time since the explosion on July 30 began to break apart what was already a fragile partnership.

"Israel will not be toyed with," Mr. Netanyahu was quoted as having told an Israeli cabinet meeting Thursday. An official communiqué reported that the prime minister said that Mr. Arafat and his advisers "must change the course they have taken" in rebuffing an Israeli call for a security crackdown.

But for a second day, Mr. Arafat spent Thursday in the company of the kinds of Palestinians who make Mr. Netanyahu's blood boil.

Having apparently concluded that to bow to Israeli pressure would undermine his own stature, Mr. Arafat seems to believe that his only other option is to put on a show of Palestinian unity. That calculation has led him to hold public

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Aboard MiG-29, a Glimpse Into the Other Side

German Pilots Test Former Foes' Best

By Joseph Fitchett
International Herald Tribune

LAAGE AIR BASE, Germany—Hurling a few hundred yards down a runway, the needle-nosed fighter takes off almost vertically, showing the thrust of its twin jets before it flashes out of sight across the rolling fields of northern Germany and out over the Baltic Sea.

"For a pilot, it's the perfect machine," says the wing commander of Fighter Wing 73, Colonel Rhinehard Mack, 48.

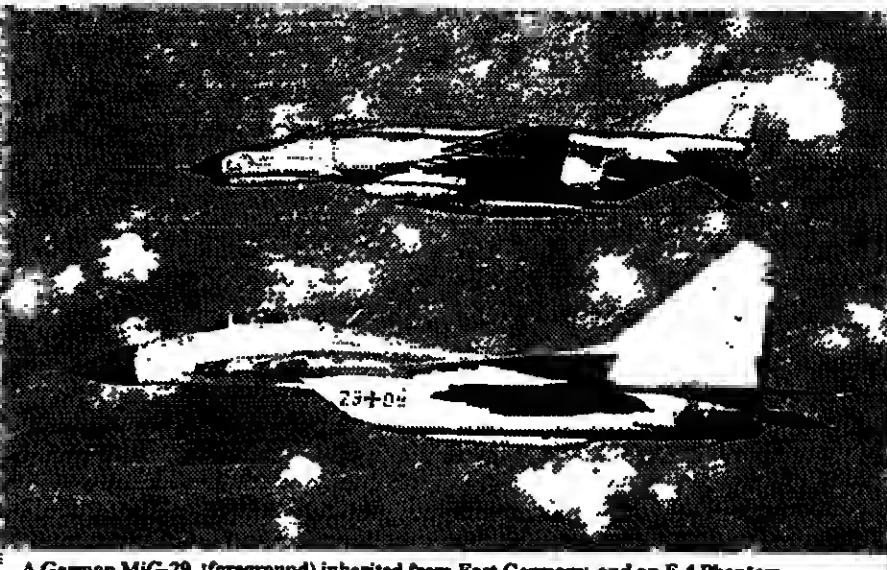
In the cockpit, a sight-and-shoot helmet is linked by lasers to missiles under the wing so that the pilot can simply stare at an enemy for two seconds and fire, without need to maneuver.

Nonexistent in Western air forces, this killer-sight is another singular feature of the MiG-29. Now in the gray paint of the Luftwaffe, two squadrons of these aircraft have been incorporated into Fighter Wing 73 and become not only star performers in the air but also highly political warplanes on the ground.

Besides offering new insights into the strengths and limitations of Soviet

Top Guns

Russia	478
Ukraine	62
Iran	35
Poland	27
Hungary	24
Germany	24
Bulgaria	21
Syria	20
Yugoslavia	15
Croatia	12
Czechia	10



A German MiG-29 (foreground) inherited from East Germany, and an F-4 Phantom.

airpower during the Cold War, these planes are at the center of a debate about what kind of weapons should equip countries such as Poland that are going to become members of NATO. When they rolled out of Soviet factories, the MiG-29s were expected to be top-of-the-line defenders for the Warsaw Pact well into the next century. Delivered to East Germany in the late 1980s, the planes were still in the

training phase when the Berlin Wall fell and a re-united Germany inherited a Soviet-built air force.

Born kept 24 of the former East German MiG-29s, partly as a cooperative gesture to Moscow and partly because Germany wanted to try at least temporarily integrating Soviet-made weapons into its arsenal and into alliance operations.

Clearly the experiment has de-

livered on its promise of insights into the capabilities of Russian aircraft still being delivered around the world.

"We're a sought-after sparring partner," according to the wing commander. He has flown mock dogfights against the top guns from every other NATO air force, enabling allied pilots to get experience against the kind of

See MIGS, Page 12

Shake-Up In Taiwan As Leader Steps Down

New Prime Minister Is Expected to Push For Better China Ties

Compiled by Our Staff From Dispatches

TAIPEI—Prime Minister Lien Chan announced his resignation Thursday, clearing the way for his designated successor, Vincent Siew, to try to fulfill his promise to improve the island's relations with China.

President Lee Teng-hui's office said that Mr. Siew, 58, a former diplomat and trade minister, was told to prepare to take over from Mr. Lien on Sept. 1.

"The normal development of cross-strait relations is very important," Mr. Siew said, referring to China, shortly after he was named by President Lee. "We hope to search for breakthroughs in relations."

Mr. Lee's office said that Mr. Siew's appointment would be made formally at the end of this month, after the annual congress of the governing Kuomintang, or Nationalist Party. The switch has been in the works for months, with Mr. Siew viewed as the Nationalists' best hope for recovering ground lost in local elections.

Mr. Lien had come under criticism for a spate of recent violent crimes on the island, including the kidnapping and murder of the daughter of a popular actress in April.

But Mr. Lien is considered likely to remain a prominent force as vice president and Mr. Lee's possible successor. He has been prime minister since February 1993 and is expected to be the Nationalist candidate in the 2000 election for president of Taiwan, which holds the third-largest foreign currency reserves in the world.

Mr. Lien said at a farewell news conference that he was proud of the economic strength and political reforms achieved during his term, but regretted the breakdown of a gradual improvement in relations with China.

He said he would continue to press for more international recognition for Taiwan, despite China's insistence that Taiwan is a renegade province with no right to separate diplomatic status.

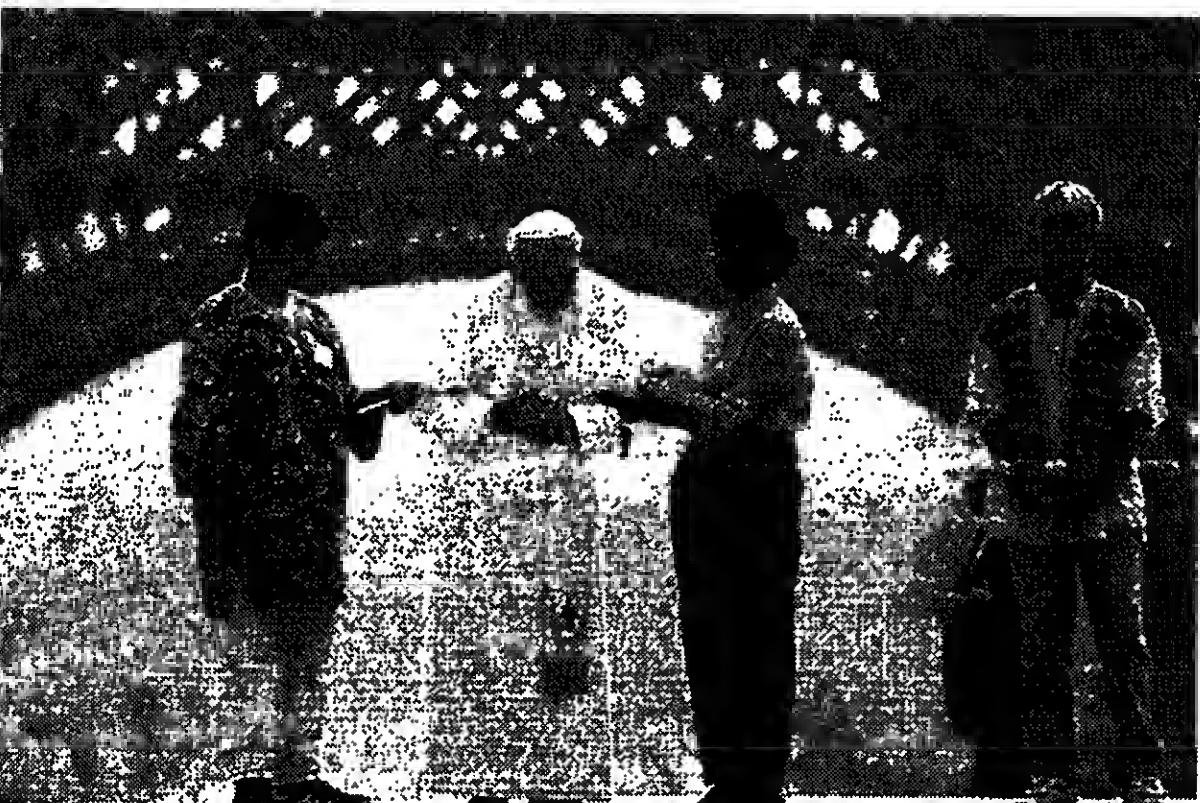
"We're not trying to challenge China," he said. "How can they shut us out in this age of the global village?"

Ties with China have improved this year with a succession of visits by mid-level officials. But Beijing has yet to revive negotiations that it suspended in June 1995 in outrage over Mr. Lee's visit to the United States.

Mr. Siew used to run China policy for the cabinet, and Beijing may see his

See TAIWAN, Page 12

A Papal Entreaty From the Heart of Paris



Pope John Paul II reading a prayer Thursday across the Seine from the Eiffel Tower, assisted by young worshippers. Some 500,000 pilgrims cheered him as he started his first visit to Paris since 1980. Page 6.

Smoke Alarm: Philip Morris Chief Admits Possible Harm

By Brian Knowlton
International Herald Tribune

WASHINGTON—The chairman of Philip Morris Cos. said Thursday that thousands of Americans "might have" died of diseases caused at least in part by smoking.

The unexpected concession by a tobacco industry leader, Geoffrey Bible, comes in a year when the industry, battered by lawsuits and throttled by new legal restrictions, finally agreed to a sweeping \$368 billion settlement that will limit its sales and marketing but also restrict its legal exposure.

The comment by Mr. Bible, long one of smoking's most pugnacious defenders, came during a pretrial deposition in West Palm Beach, Florida. The state is seeking \$12.3 billion for the public cost of treating smoking-related illnesses. The statement also caused Philip Morris shares to fall 2.5 percent in late trading.

Industry leaders long denied any link between smoking and serious illness. In recent years, they began to admit that it was a risk factor but refused to call it a primary cause.

In his deposition, Mr. Bible conceded only that deaths could have been caused "in part" by smoking.

Still, Ron Motley, a lawyer representing Florida in the hearing, called Mr. Bible's statement a breakthrough.

Bennett LeBow, chief executive of Liggett Group, the smallest major American cigarette maker, last year stated that cigarettes are addictive and cause disease, something no top tobacco executive had done before.

Mr. Bible's comment, coming from the head of a company that makes nearly half the cigarettes sold in the United States, was "a step in the right direction," said John Coale, a Washing-

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Kidnap Insurance Giving Executives Peace of Mind

By Joseph B. Treaster
New York Times Service

NEW YORK—The worst day for Thomas Hargrove was the day the guerrillas mistakenly killed the cow.

That blunder sent the leader of the tiny band that had kidnapped Mr. Hargrove into a rage. The man stomped around the encampment in the cold, wet mountains of Colombia, shooting at rocks and trees, his mind fuzzy with whisky and cocaine. The guerrilla leader came up behind Mr. Hargrove, then in his early 50s and the head of communications at an international research center near Cali, and pressed the steel barrel of his rifle against the American's skull. He pulled back a couple

of inches and fired—into the sky.

"I was very close to dying," Mr. Hargrove said. It would be months before Mr. Hargrove's wife, Susan, and his two college-age sons could negotiate his freedom with a ransom of several hundred thousand dollars.

Tethered on a short chain and kept alive with cold rice and sometimes a few beans, he came out of captivity in August 1995 a walking skeleton of 125 pounds (57 kilograms).

Nightmarish experiences like these, while rare, are driving flourishing sales in a special kind of insurance policy: coverage against kidnapping. The insurance is for expatriate executives, corporate road warriors and

even those who stay at the home office.

The policies not only provide money for ransom, but also pay for such things as the costly fees of kidnap negotiators—which can run to \$15,000 a week—and follow-up psychiatric treatment for victims and their families.

America's biggest multinational corporations have quietly carried coverage against kidnapping for years. But as U.S. businesses stretch ever farther around the globe, much smaller companies are now signing up for the protection in rapidly growing numbers. And throughout the world these days, insurance companies

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China's Inflation-Taming 'Greenspan'

After Cooling Overheating Economy, Zhu Takes Aim at Higher Office

By Steven Mufson
Washington Post Service

BEIJING—Think of him as the Alan Greenspan of China.

Deputy Prime Minister Zhu Rongji, the country's top economic policy-maker, has engineered a remarkable soft landing for the Chinese economy—and, in the process, made himself a key figure in China's leadership.

Three years ago, the annual retail inflation rate in China was running at 25 percent; food prices were soaring 43 percent annually. China was dangerously close to an inflationary spiral that could have brought instability at a time when it was clear the country's senior leader, Deng Xiaoping, was near death.

Now inflation has come to a virtual halt. The annual rate of consumer inflation is barely 3 percent, well below government projections issued in March. While typical inflation-fighting measures may often send a country into recession, Chinese officials estimate that during their "slowdown," the economy will still grow at an annual rate of more than 9 percent. Even with a dose of skepticism about the numbers—the makeup of China's official inflation-

measuring basket is kept secret—few analysts doubt that Mr. Zhu's achievement is substantial.

The consequences are huge. For one thing, the curbing of inflation will probably catapult Mr. Zhu, a former Central Planning Department bureaucrat who was purged in 1957, into the post of prime minister next year. For another, it has helped ensure social calm during the sensitive political transition period following Mr. Deng's death on Feb. 19.

How has Mr. Zhu done it?

The approach has been double-barreled, reflecting both his determination to make China's economy more open and market-oriented and his experience with central planning. On the one hand, he has used price controls over some key food prices and raised food subsidies. On the other hand, he has pursued policies that have stabilized the currency, inspired investors, shut the spigot of state-bank loans, pushed domestic industry to be more competitive, opened up new retail and distribution channels and slightly lowered tariffs.

State-owned enterprises, which once churned out products at fixed prices that piled up in inventories, are now slashing prices to win customers. Instead of

poorly stocked state-run shops and street vendors, new private retail stores and grocery chains are vying for customers. Computer stores are cutting prices to gain market share. Travel agents are bargaining over fares. Commercial rents in many major cities have sagged. And foreign investment has spurred new products and standards that have put price pressure on more stodgy domestic competitors.

"Inflation is and always will be a monetary phenomenon," said Huang Yasheng, an associate professor at Harvard Business School. "So Zhu has to get the credit for inflation control because he has pursued a relatively tight monetary policy."

Yet China faces a problem of oversupply. It seems that as huge as China's market is, it is not big enough. Chinese industries already produce more television sets, washing machines, automobiles, steel and consumer goods than the Chinese want to buy. And if China joins the World Trade Organization and cuts tariffs, competition from imports will be more intense than it is now.

The example of the television industry brings into clear focus the down-

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Russian Pair Set for Crucial Repair of Mir

By David Hoffman
Washington Post Service

MOSCOW—Pavel Vinogradov, a rookie cosmonaut who is the flight engineer on the ailing Mir space station, once wrote instruction manuals for space ships. On Friday, he will try to fix one floating in orbit.

Mr. Vinogradov is to spend about four hours inside a cramped, dimly lit 250 miles (400 kilometers) above Earth, attempting to reconnect 11 electrical wires needed to salvage the stricken Mir. Just outside the canister will be his experienced partner, the Mir commander, Anatoli Solovyov.

If they are successful, Mir will have a bit more power than it does now. Since it was rammed June 25 by a crewless cargo vessel, Mir has been running with about 50 percent of its original electrical power. If Mr. Vinogradov can reattach the wires, Mir's power will increase to about 70 percent, and Russian officials said it may even be more.

That additional electricity could be crucial in preserving both Mir as a scientific platform and Russia's international role in space exploration. It would also keep the longest continuously manned space station aloft a little longer.

Only if the Mir has enough power to support scientific experiments can Russia continue to expect cooperation, and money, from the United States and Europe for hosting astronauts on board. Most of the additional three kilowatts of power that Mr. Vinogradov hopes to gain from the new connections will be devoted to the scientific experiments, U.S. officials said.

"If they get nothing, then I think we would have to very carefully evaluate whether we could, in fact, continue a

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AGENDA

MCI Shares Fall on Doubts Over Merger

Shares in MCI Communications dropped sharply Thursday amid signs that British Telecommunications was seeking a lower purchase price for the U.S. telecommunications company.

The two concerns confirmed that talks were under way on the "economic terms" of the merger. MCI said Wednesday that the transaction was in jeopardy. MCI had stunned BT and investors in July by disclosing that its local phone business would lose \$800 million this year, twice earlier estimates. Page 13.

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Antilles	12.50 FF	Morocco	16 Dh
Cameroun	1.600 CFA	Qatar	10.00 QR
Egypt	5.50 FF	Reunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	2.800 Lire	Spain	225 Ptas
Ivory Coast	1.250 CFA	Tunisia	1.250 Din
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. (MI)	51.20

The Dollar			
	New York	Thursday 4 P.M.	previous close
DM	1.8365		1.8364
Pound	1.582		1.5825
Yen	117.225		117.68
FF	6.1855		6.2335
The Dow			
	Thursday close		previous close
	-127.28	7893.95	8021.23
S&P 500			
	Thursday 4 P.M.		previous close
change	-14.28	925.05	939.33

Camp in Colorado / Encounters for Palestinians and Israelis

Sharing a Tent With a Mideast Stereotype

By James Brooke
New York Times Service

IDAHO SPRINGS, Colorado — Huddled together on a cafeteria bench, Maayan Geva, an Israeli, and Rawan Asali, a Palestinian, puzzled over unfamiliar street names and neighborhoods until they finally concluded that their homes in Jerusalem are one mile apart.

"Although it's physically close, it's very far," said Maayan, 16, acknowledging the cultural and political chasms that have kept the two high school girls apart.

They met only by flying halfway around the globe and then driving up an unmarked forest road to a summer camp here, 10,000 feet (3,000 meters) high in the Colorado Rockies.

The camp, called Seeking Common Ground, is part of a fledgling movement by Americans to foster direct contact and, it is hoped, friendships among members of the next generation of the Middle East's long-running enemy groups, the Palestinians and the Israelis.

"Let's get these people together and talking to each other," said Melodye Feldman, the camp's founder.

Now in its fifth summer, the camp arranged this month for 27 Israeli and Palestinian high school girls to come for two weeks of encounter sessions that are intended to break down barriers and promote understanding. Follow-up meetings will be held in Israel during the next year to nurture the friendships forged in summer.

"We don't want to just give them a three-week experience, but to keep this going in their lives," Ms. Feldman said of the project, which is supported by private donors in the Denver area.

On the East Coast, a similar camp, Seeds of Peace, is proving so successful that it just signed a 20-year lease on 150 acres (60 hectares) in Maine that will allow it to triple its summer sessions for young Arabs and Israelis.

Noting that 1,000 people showed up last week for the camp's dedication, John Wallach, the president and a veteran of U.S.-Soviet exchanges of the 1980s, said: "It reflects the desire of the ordinary public to do something. The peace treaties don't mean anything if there is not peace at the human level."

FOR many girls here, this quiet patch of Colorado pine forest affords their first opportunity to talk to someone from the "other side."

"I had never really met an Israeli," said Muna Shikaki, a 17-year-old Palestinian from a village in the West Bank. "I had been over there to shop, but never to talk to them."

Tal Cohen, Muna's 18-year-old Israeli "buddy" in the camp's pairing system, said similar feelings pushed her to come. Seated next to Muna at the camp's arts and crafts center, Tal said: "I didn't know any Arabs. I thought that there are probably more to the Palestinians than those who bomb the buses."

Over meals, on hikes and on sleep-overs in tents, the girls say they have traded points of view, face to



Seven Shikaki/The New York Times

"Behind the word 'Palestinian,' I now know there is a person, a person I hugged with, a person I cried with, a person I shared a tent with," says an Israeli teenage girl at a summer camp high in the Colorado Rockies. The camp is called Seeking Common Ground.

face, in a way that seems impossible at home.

"It opens up your mind to different perspectives," said Muna, whose grandfather lost his farm to Jewish settlers. "Now I realize that a lot of Jews in the Arab states were also treated badly."

Tal said of the Palestinians: "They are in the same situation as we were in 1947. They are trying to build a state while surrounded by enemies."

"Behind the word 'Palestinian,'" she added, "I now know there is a person, a person I hugged with, a person I cried with, a person I shared a tent with."

While Seeking Common Ground has all the trappings of a traditional summer camp — pine log cabins, archery targets and a corral of riding horses — conversations are often serious and tense. The reality of the Middle East is never distant.

On a recent day, in an exercise to build trust, mixed pairs of girls felt each other's pulse by placing a hand on each other's wrist, neck and chest.

They met in a hall named Qiryat Shemona, after a village in northern Israel. A few hours later, the real Qiryat Shemona was hit by dozens of rockets

from Lebanon. Last month, a week before the Palestinian and Israeli girls were to gather at Tel Aviv's airport for the flight to the United States, two Palestinian suicide bombers blew up a Jerusalem market, killing 15 people and wounding at least 170.

ISRAEL immediately halted virtually all traffic from areas under control of the Palestinian Authority. "It was only on the last day that we got permission for the Palestinian girls to go to Tel Aviv," said Ms. Feldman.

She spent a frantic week talking to Israeli journalists and diplomats to try to win an exemption for the Palestinian participants at the camp. Eventually she was successful.

Unsure that she could travel to Israel, Muna chose to fly to the United States from Syria.

"Muna and I joke that I will let her in more easily," said Tal, who is to report next month for duty in the Israeli Army.

Already assigned to a combat unit, she said she expected to perform checkpoint duty, either in Gaza or the West Bank.

Few Grouse Over Fees At U.S. Public Lands

By Timothy Egan
New York Times Service

GOOSE PRAIRIE, Washington — It still costs more to catch the latest action film at the local octoplex than to launch a boat under a volcano in Northern California, watch brown bears paw at salmon in Alaska or stroll along the Trail of the Ancients at the Anasazi Heritage Center in Colorado. But for the first time, most of America's natural wonders are no longer free.

From the White Mountains of New Hampshire to the William O. Douglas Wilderness area here in the Cascade Mountains, the backpacker trails, wildlife refuges and historic sites on more than 500 million acres (200 hectares) of American public land now come with an admission price.

As of this summer, it costs \$6 a car to catch the view from 14,000 feet (4,250 meters) on the highest paved road in North America in the Arapaho National Forest of Colorado, \$8 a bead to visit Mount St. Helens in this state and \$3 a day to hike in the Sandia Mountains east of Albuquerque, New Mexico.

But while some people complain about an admission charge to enjoy land where logging, grazing and mining are still heavily subsidized by the federal government, most recreational users seem willing to pay something for using public land, according to preliminary surveys across the country.

In national parks, most of which have long charged admission fees, there has been a 5 percent increase in the number of visitors this far this year over last, despite a doubling of fees at some of the most popular sites and the introduction of fees at some previously free areas.

It is in Forest Service land, refuges run by the Fish and Wildlife Service and the land owned and managed by the Bureau of Land Management, the big open land that was always free to visitors — that federal officials most feared a backlash to the new pay-per-see policy that is being tried out for the next three years.

The idea of charging \$4 a head to watch buffalo chew grass in the National Bison Range in Montana, for example, struck some people as a violation of the bone-on-the-range spirit of public land.

Free use of public land is the essence of the American West, some critics of the new policy have said. As Bill Hall, a columnist for The Tribune of Lewiston, Idaho, wrote recently: "A river that belongs to everyone should not have an admission charge. That's like charging people a fee to use their own homes."

Most of the money from the new fees goes into funds to maintain the sites where the fees are being collected. For

that reason, random interviews indicate, people seem not to mind having to pay.

There have been some protests, mainly by local people who are used to treating the public land in their backyards as an extension of their own property. The word "tax" has been scrawled onto posted notices of the new fees.

It costs \$14 a night to camp at Russell Pond in the White Mountain National Forest in New Hampshire, and another \$5 to use the pond, a source of some complaints.

"In a state with a slogan like 'Live Free or Die,' we have had some trouble," said Greg Super, a recreation economist with the Forest Service.

The government decided to charge for using public land after millions of

"A river that belongs to everyone should not have an admission charge," one critic wrote. "That's like charging people a fee to use their own homes."

people discovered what a bargain such lands were, straining the maintenance budgets. With little hope of increased funding, the agencies embraced having the people who use the lands most pay for their upkeep, an idea backed both by the administration and Congress.

Though the land agencies still devote the bigger portions of their budgets to subsidizing logging, grazing and mining, recreational users like hikers, hunters, bird-watchers and mountain-bikers are the biggest single users of public land.

Last year, the Forest Service recorded 829 million visits to the 191 million acres run by the agency, an all-time high. The Park Service, Bureau of Land Management and Fish and Wildlife also registered a record volume of visitors.

"We have suffered from a public perception that all we're really about is timber-cutting," said Jim Lyons, undersecretary for natural resources at the Agriculture Department, which runs the Forest Service. "Timber is not the age of the future. Recreation is."

Still, many chafe at paying user fees when Congress has authorized spending another \$200 million for subsidized road-building into national forests to benefit the timber industry.

"People accept these new user fees," said Dan Nelson, a spokesman for the Washington Trails Association, which represents 4,000 backpackers in this state. "But that vote to continue building new roads for loggers really ticked off a lot of our members."

In this, the first full-year of the fee experiment, the Forest Service expects to collect about \$1.5 billion in user fees. The Bureau of Land Management estimates it will take in \$3.8 million — on just a handful of sites — while Fish and Wildlife Service has projected revenue of \$2.5 million.

At the end of the three years, Congress will decide whether to end, expand or modify the fees program. The money is a small fraction of the overall budget for public land agencies. But because a full 100 percent of the fees collected by the Bureau of Land Management and 80 percent of those collected by the Forest Service and Fish and Wildlife are supposed to go back into the sites where they were collected, the money can have a big impact in certain overused areas. In some places, a working toilet is a sea change.

Leo Jaffe, 88, Who Ran Columbia Pictures for 2 Decades, Dies

By James Sterngold
New York Times Service

NEW YORK — Leo Jaffe, 88, well known for decades as an influential dealmaker in Hollywood and as a philanthropist, died Wednesday at his home in New York City after a long illness.

In a world where executives often move from one studio to another, Mr. Jaffe was noteworthy for spending his entire career at one company, Columbia Pictures. He ran the studio in the 1960s and 1970s and he helped build it into one of the strongest in the industry, based in part on his friendships with some of

Hollywood's most powerful producers and directors.

During his days at Columbia Pictures it produced such classic films as "Lawrence of Arabia," "On the Waterfront," "Porgy and Bess," "Lord Jim," "A Man for All Seasons" and "Guess Who's Coming to Dinner."

Mr. Jaffe was also active in numerous philanthropies. Among others, he received honors from several Jewish organizations, New York University, the Academy of Motion Picture Arts and Sciences, the White House and several mayors of New York City.

Mr. Jaffe was born in New York City

on April 23, 1909, and took his first job at Columbia in the summer of 1930 while he was still an undergraduate studying business at New York University. He joined the studio's auditing department shortly afterward and began working his way up in the financial department. Mr. Jaffe retired in 1981, when he became chairman emeritus.

Yuri Nikulin, 75, Actor and Moscow Circus Director

MOSCOW (AP) — Yuri Nikulin, 75, Russia's most beloved comic actor and director of the Moscow Circus, died Thursday at a Moscow clinic where he

had undergone heart surgery, doctors said.

Mr. Nikulin, born in 1921 in Smolensk, was a veteran of World War II who became a Moscow Circus clown in 1946. He was appointed the circus's director in 1984, a post he held until his death.

Nikulin owed much of his country-wide popularity to his movie roles, well known to generations of Russians. His typical role was that of a slightly silly, average guy, witty but never mean-spirited. Children called him Yuri.

William Humphrey, 73, whose

highly acclaimed first novel, "Home From the Hill," and other books dealt with the play of small-town family life in the scrub oak and cotton country of northeast Texas, died Wednesday of cancer at his home in Hudson, New York.

Dionys Mascolo, 81, a French writer and leftist intellectual who was the companion of the author Marguerite Duras and the father of her only child, died Wednesday at a Paris hospital.

Serge Peretti, 92, the Italian-born French dancer and choreographer, died Wednesday in Chatou, France.

"I'm worried about the kid, honey!"



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22.08

TRAVEL UPDATE

Warning About Latins Withdrawn

MIAMI (AP) — American Airlines has withdrawn a training manual that warns pilots that Latin passengers are often unruly and sometimes call in fake bomb threats when running late for a flight. The airline also promised to investigate how the manual got printed in the first place.

"As a Latino myself, I was offended," said Peter Dolara, vice president for Latin American operations. "It has damaged me as an employee of American Airlines."

The manual was made public during pretrial hearings on lawsuits against American over a crash on Dec. 20, 1995, in Cali, Colombia, that killed 159 people. The airline is the dominant U.S. carrier in Latin America, carrying about 6 million passengers a year on 200 scheduled flights a week in the region.

Russia Allows Arms on Israeli Craft

MOSCOW (AP) — The government has given Israeli civilian planes the right to have armed guards on board when they fly into Russia.

The agreement was signed by Interior Minister Anatoli Kulikov and his Israeli counterpart, Avigdor Kahalani, according to Russian news agencies. Mr. Kulikov said Moscow understood Israel's concerns about the security of its citizens.

Israel is the only country allowed the privilege, the reports said.

Bus service was disrupted and businesses reported that many workers stayed home as a series of one-day strikes by South Africa's largest labor federation affected Gauteng, North-West and Northern provinces on Thursday. The Johannesburg metropolitan bus service said many routes were canceled during morning service.

(AP)

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Europe

City	Today	Low	High	Tomorrow	Low	High
Agadir	23/24	19/20	25/26	18/19	24/25	25/26
Amsterdam	24/25	18/19	23/24	19/20	24/25	25/26
Ankara	23/24	19/20	24/25	18/19	23/24	24/25
Antwerp	24/25	18/19	23/24	19/20	24/25	25/26
Barcelona	26/27	20/21	27/28	19/20	24/25	25/26
Berlin	23/24	19/20	24/25	18/19	23/24	24/25
Birmingham	24/25	18/19	23/24	19/20	24/25	25/26
Bombay	26/27	20/21	27/28	19/20	24/25	25/26
Buenos Aires	24/25	18/19	23/24	19/20	24/25	25/26
Calcutta	26/27	20/21	27/28	19/20	24/25	25/26
Chennai	26/27	20/21	27/28	19/20	24/25	25/26
Colombo	26/27	20/21	27/28	19/20	24/25	25/26
Copenhagen	24/25	18/19	23/24	19/20	24/25	25/26
Dakar	24/25	18/19	23/24	19/20	24/25	25/26
Dhaka	26/27	20/21	27/28	19/20	24/25	25/26
Dublin	24/25	18/19	23/24	19/20	24/25	25/26
Edinburgh	24/25	18/19	23/24	19/20	24/25	25/26
Frankfurt	24/25	18/19	23/24	19/20	24/25	25/26
Geneva	24/25	18/19	23/24	19/20	24/25	25/26
Helsinki	24/25	18/19	23/24	19/20	24/25	25/26
Istanbul	26/27	20/21	27/28	19/20	24/25	25/26
Jakarta	26/27	20/21	27/28	19/20	24/25	25/26
Kuala Lumpur	26/27	20/21	27/28	19/20	24/25	25/26
London	24/25	18/19	23/24	19/20	24/25	25/26
Madrid	24/25	18/19	23/24	19/20	24/25	25/26
Manila	26/27	20/21	27/28	19/20	24/25	25/26
Moscow	24/25	18/19	23/24	19/20	24/25	25/26
Mumbai	26/27	20/21	27/28	19/20	24/25	25/26
Nairobi	24/25	18/19	23/24	19/20	24/25	25/26
New Delhi	26/27	20/21	27/28	19/20	24/25	25/26
Osaka	24/25	18/19	23/24	19/20	24/25	25/26
Paris	24/25	18/19	23/24	19/20	24/25	25/26
Rangoon	26/27	20/21	27/28	19/20	24/25	25/26
Rio de Janeiro	24/25	18/19	23/24	19/20	24/25	25/26
Sao Paulo	24/25	18/19	23/24	19/20	24/25	25/26
Seoul	24/25	18/19	23/24	19/20	24/25	25/26
Shanghai	24/25	18/19	23/24	19/20	24/25	25/26
Singapore	26/27	20/21	27/28	19/20	24/25	25/26
Taipei	24/25	18/19	23/24	19/20	24/25	25/26
Tokyo	24/25	18/19	23/24	19/20	24/25	25/26
Yokohama	24/25	18/19	23/24	19/20	24/25	25/26

North America

City	Today	Low	High	Tomorrow	Low	High
Albuquerque	18/19	14/15	23/24	17/18	13/14	22/23
Atlanta	20/21	16/17	25/26	19/20	15/16	24/25
Boston	18/19	14/15	23/24	17/18	13/14	22/23
Chicago	20/21	16/17	25/26	19/20	15/16	24/25
Dallas	20/21	16/17	25/26	19/20	15/16	24/25
Denver	18/19	14/15	23/24	17/18	13/14	22/23
Detroit	20/21	16/17	25/26	19/20	15/16	24/25
Houston	20/21	16/17	25/26	19/20	15/16	24/25
Los Angeles	20/21	16/17	25/26	19/20	15/16	24/25
Miami	20/21	16/17	25/26	19/20	15/16	24/25
Minneapolis	18/19	14/15	23/24	17/18	13/14	22/23
Montreal	18/19	14/15	23/24	17/18	13/14	22/23
Newark	20/21	16/17	25/26	19/20	15/16	24/25
New York	20/21	16/17	25/26	19/20	15/16	24/25
Orlando	20/21	16/17	25/26	19/20	15/16	24/25
Phoenix	20/21	16/17	25/26	19/20	15/16	24/25
Portland	18/19	14/15	23/24	17/18	13/14	22/23
San Francisco	20/21	16/17	25/26	19/20	15/16	24/25
Seattle	20/21	16/17	25/26	19/20	15/16	24/25
St. Louis	20/21	16/17	25/26	19/20	15/16	24/25
Tampa	20/21	16/17	25/26	19/20	15/16	24/25
Washington	20/21	16/17	25/26	19/20	15/16	24/25

Asia



Heavy Rain

Heavy Snow

Asia

Beijing and most of north-eastern China will be sunny, hot and dry Saturday through Monday. Showers and thunderstorms with heavy downpours will reach from Hong Kong to Hainan Island.

Thunderstorms in Seoul Saturday, then warm with some rain. Tokyo could have showers each day.

a thunder-
nical Sun-
owers Mon-
be humid
or thunder-
each day.
Eastern
e dry and
warm, but
a rain head-

By William Claiborne
Washington Post Service

The other issue involves the appropriateness of creating a fee-charging tourist attraction that would overshadow a solemn memorial to the crewmen entombed in the Arizona.

In all, 1,177 members of the Arizona crew died during the early-morning Pearl Harbor attack, when an armor-piercing bomb exploded in the battleship's forward ammunition magazine, sending the battleship to the bottom in less than nine minutes.

All that is above the surface now is a white stone platform, just high enough for about 150 visitors brought out by navy launch. There is a large hole in the middle of the platform that allows people to

Using warships as symbols of the start and end of war, a plan is under way to tow the USS Missouri, site of Japan's 1945 surrender, to Pearl Harbor and anchor it close to the Arizona, sunk in the Japanese surprise raid.

Angered by the navy's decision not to keep the Missouri at Bremerton, where it is now moored in the Puget Sound Naval Shipyard, or to move it to San Francisco or Long Beach, one group is threatening a lawsuit to block the transfer to Pearl Harbor.

The group asserts that Pearl Harbor unfairly won the bid and that the U.S. National Historic Preservation Act would be violated because of adverse impact on the Arizona Memorial.

These critics cite a report issued by the General Accounting Office on June 3 taking the Navy to

Although the Park Service has remained officially neutral in the site selection, the Arizona Memorial superintendent, Kathy Billings, said in an interview: "In every letter to the navy we have said we're concerned about the impact of what basically will be a huge tourist attraction right next to a place given to a somber, reflective experience."

"We don't object to the Missouri coming to Hawaii," she said. "It's just that putting it so close to the Arizona Memorial will change the character of this place. Will they visitors, still be able to reflect on the lives of those in the same way?"



Until Wednesday afternoon, Mr. Edgar, 51, who was mentioned as a possible vice presidential running mate for Bob Dole last year, had held open the possibility that he would run against Senator Moseley-Braun and be had met in Washington with the Senate majority leader, Trent Lott, and instructed aides to check out the Washington real estate market. (NYT)

Mr. Rostenkowski's new, temporary place of residence is in a once-seedy neighborhood that is rapidly undergoing gentrification. He could remain there until Oct. 15, when his sentence officially ends, although he might be allowed to spend the last weeks of his sentence under confinement in his own home in Chicago. (WP)

Barry Toiv, deputy White House press secretary, responding to reporters desperate for news as President Bill Clinton vacations in Massachusetts: "Rumors that Barbra Streisand is going to marry Princess Di on Martha's Vineyard this weekend have not been confirmed." (NYT)

A Ring? Sign First

Now, Many Men and Women Insist on Prenuptial Contracts

By Lisa W. Foderaro
New York Times Service

Well, will he? "I would say that if she challenges the prenuptial agreement, the answer is no," Mr. Trump said. "If she doesn't challenge the agreement, the answer is possibly."

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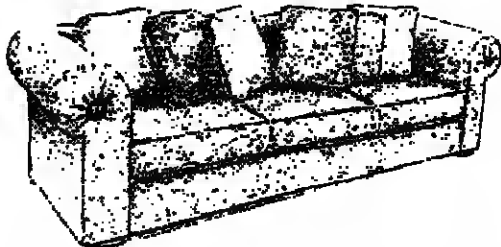
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EUROPE

Russians Balking on Bosnia Plan

They Object to Allied Supervision of Elections in Serb Area

By Raymond Bonner
New York Times Service

VIENNA — In a closed-door meeting here, Russia put the brakes Thursday on a proposal to have an international organization supervise elections that the Bosnian Serb president, Biljana Plavsic, has called in her power struggle with the Serbian hard-liners' leader, Radovan Karadzic.

The Russian action is a setback for the Clinton administration, and major European governments, which have openly sided with Mrs. Plavsic in her political war, including her call for elections in the Serb-controlled territory of Bosnia.

The Bosnian Serb president has formally requested the Organization for Security and Cooperation in Europe to supervise the elections, which she would like to be held in October.

At a meeting of the 54-member organization here, its first since the summer recess, support for Mrs. Plavsic's request was virtually unanimous, said diplomats who attended the meeting. Except for Russia.

While continuing to apply behind-the-

scenes diplomatic pressure on Russia, diplomats here made an effort to gloss over the Russian opposition in public.

The tactic is to not embarrass the Russians, which could be counterproductive, said an official with the security organization.

At a news conference after a meeting of the security organization, no mention was made of the Russian position in the opening statements by senior diplomats, including Robert Frowick, a former American ambassador who is the head of the security organization's mission in Bosnia.

When asked specifically about the Russian position, Carlos Westendorp, a Spanish diplomat who is the High Representative in Bosnia, said, "Russia fully shares the need for holding elections" and for the European security organization to supervise them.

But when speaking on the condition that they not be identified, senior diplomats told a different story.

Reading from his notes of the meeting, one senior Western diplomat said that although the Russian delegation professed support for Mrs. Plavsic, it said there were "unresolved questions"

about the elections and the role of the security organization.

The Russians did not say what specific what the questions were, diplomats who attended the meeting said.

An effort to get a comment from the Russian delegation after the late afternoon briefing was unsuccessful: the person answering the phone at the Russian mission to the OSCE said no one would be available until Friday.

Russia has long been the Serbs' major outside ally, and is reluctant to get caught in a struggle between Serbs.

UN Searches Serb Posts

NATO troops remained in control of five police buildings in this Bosnian Serb town on Thursday as United Nations officials continued an investigation into human-rights abuses and illegal arms caches, news reports from Bosnia said.

British and Czech troops from the NATO-led Stabilization Force, backed by armored vehicles, stood guard at the police headquarters, an academy and three stations to support UN policemen inside the buildings. The United Nations investigators were collecting in-



Jovo Rosic, a top Bosnian Serb judge, detailing Thursday how two men beat him as they demanded that he vote against dissolving Parliament.

formation on the arms find and indications of human-rights violations.

"We're in a supporting role of the UN International Police Task Force," a spokesman said. "When the IPTF have told us they've completed their in-

vestigations we will leave with them."

British soldiers seized the five police stations on Wednesday, effectively wiping out the local power base of Radovan Karadzic, the Bosnian Serb leader who is wanted on war-crimes charges.

Belarussian Tells Russia To Apologize For Remark

Compiled in Our Staff From Dispatches

MINSK — The Belarussian president, Alexander Lukashenko, called Thursday for a Russian apology after tough remarks by the Kremlin's chief spokesman about a growing conflict between the two countries.

The Interfax news agency quoted Belarussian officials as saying the release of an Russian state television crew — one of two teams being held — had been put on hold to make clear Minsk's displeasure.

The Russian presidential spokesman, Sergei Yastrzhembsky, told the radio station Mayak earlier Thursday that Minsk's relations with Moscow would suffer if the journalists were not freed by the end of the day.

One of the Russian crews was arrested last month while crossing the Belarus-Lithuania border. A court case is pending.

The second crew was held after trying to cross the border at the same place. It was the second crew that was to be freed.

President Lukashenko said on state television that he would withdraw all his promises about releasing the men if Mr. Yastrzhembsky's remarks turned out to represent official Kremlin policy.

"I will not allow discussions to take place with Belarus from a position of strength or sanctions," he said. "I won't tolerate blackmail."

"Russia should apologize or distance itself from Yastrzhembsky's remarks today," he said.

The four employees of ORT television were detained last Friday.

International human-rights groups have condemned the case as part of a crackdown on journalists.

In Moscow, some people have criticized the Russian government for failing to act to protect journalists. Moscow has signed a treaty with Belarus, and Russian leaders appear reluctant to enter into open confrontation with the Belarussian leader.

President Lukashenko, who has imposed a tight regime on Belarus, has often complained about Russian television. (Reuters, AP)

BRIEFLY

U.S. Congressman Defends Swiss

ZURICH — U.S. Representative Tom Lantos, a Holocaust survivor, said Thursday that Switzerland should not be tarred as a whole for the unsavory conduct of some of its citizens during and after World War II.

Mr. Lantos, a 69-year-old California Democrat, said in a telephone interview he had called a news conference in Bern to express his admiration for the Swiss diplomat Karl Lutz, who was instrumental in saving Jewish lives during the war.

He said he also wanted to express his dismay at what he said was a collective-guilt approach toward Switzerland's wartime role. "My hope in calling the press conference is perhaps to begin the process of restoring Switzerland's image," Mr. Lantos said.

"I feel very strongly it is utterly unfair to use a broad brush of collective guilt, which is beginning to seep into the dialogue in this issue," he said. "Clearly, the overwhelming bulk of Swiss men and women in the 1940s and since have had nothing to do with either the failure of the government to save persecuted people, or with the outrageous behavior of some bank executives."

Swiss bankers have been accused of, among other things, failing to make a real effort to restore the assets of Holocaust victims to the rightful owners and heirs. (Reuters)

German Urges Africa Aid Link

BERLIN — Gerhard Schroeder, a possible challenger of Chancellor Helmut Kohl in next year's legislative elections, Thursday called for aid to African countries to be linked to their willingness to retake nationals expelled by Germany.

Immigrants often cannot be expelled after committing criminal acts because they will not give their identity or have destroyed their identity papers, Mr. Schroeder, a Social Democrat, told the newspaper Berliner Morgenpost.

"Unfortunately, a number of countries are not very cooperative. This must change," he added.

Mr. Schroeder is chief minister of the northern state of Lower Saxony, who may be nominated by the Social Democrats as their candidate for September 1998 legislative elections if he wins state elections due in March.

"We can expect countries which we assist to take into account our interests," he said. (AFP)

3 in East Europe to Meet on NATO

WARSAW — The prime ministers of the Czech Republic, Hungary and Poland will meet in Warsaw on Friday to discuss membership of NATO and the European Union, the Polish Foreign Ministry announced.

Vaclav Klaus, Gyula Horn and Wlodzimierz Cimoszewicz will examine preparations ahead of negotiations with the North Atlantic Treaty Organization and the EU. They will "establish a program of tripartite political contacts and working meetings with experts," the ministry said.

On July 8, NATO officially invited the three East European countries to join an expanded Western military alliance in 1999, NATO's 50th birthday.

During their meeting in Warsaw, the three leaders will also discuss "the development of relations with countries in the region that were not invited to join the first wave of NATO and EU enlargement."

The Czech Republic, Hungary and Poland are currently filling out a NATO questionnaire on the state of their armed forces. (AFP)

Austrians Reject Gold Payments

VIENNA — Austrian Jewish leaders and the government on Thursday rejected a call for tons of the country's gold reserves to be used to help survivors of the Holocaust.

The director of the Simon Wiesenthal center in Los Angeles, Rabbi Marvin Hier, said last week that the Austrians should use some of the gold gained during and after World War II to help Jewish victims of Nazi death camps.

He claimed the country had collaborated with the Nazis, as shown by the 99 percent vote in favor of a union between the two countries in 1938. Historians generally believe the figure was exaggerated by the Nazis.

The president of the Austrian Jewish Community, Paul Grosz, rejected the gold compensation idea.

"I do not think that it is right to compensate the victims of a theft by giving them something stolen from someone else," he said.

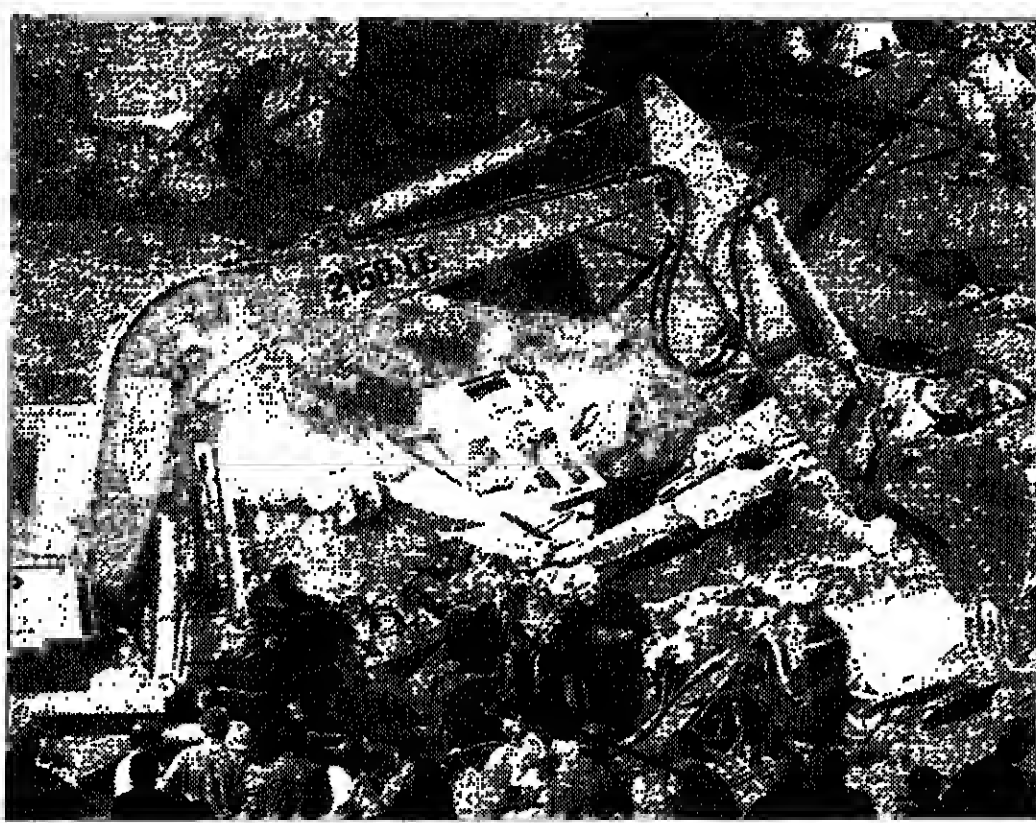
And a Foreign Ministry spokesman, Florian Krenkel, said: "The gold came from the reserves of the Central Bank. It has nothing to do with the Holocaust."

When Germany annexed Austria in March 1938, the 78,267 tons of gold in the Austrian Central Bank were immediately transferred to Berlin.

After the war, the Allies decided that Austria, along with nine other European countries, had the right to have 65 percent of the gold stolen from it returned.

As a result, Austria received 50,181 tons of gold. Maria Halpert of the Anti-Defamation League's Vienna office said that "the guilt implied" by Rabbi Hier "is not there."

The ADL, an American organization set up to fight anti-Semitism, has just opened its Austrian office. (AFP)



Rescuers searching for victims Thursday after the explosion of a grain silo in Blaye, France.

Death Toll Rises to 6 In French Silo Blast

The Associated Press

BLAYE, France — Search teams found five more bodies Thursday in the rubble of a large grain silo that exploded a day earlier, bringing the death toll to six. Six other people remained trapped.

Hundreds of rescue workers aided by dog teams worked overnight in this port near Bordeaux, braving a violent storm before dawn, as they picked through the twisted concrete and steel in hopes of finding more survivors.

The workers for the cereal storage company Semabla were loading a ship when the explosion took place Wednesday morning. Some witnesses said it felt like an earthquake.

The 42-meter-high (137-foot-high) silo full of barley on the Gironde River north of Bordeaux collapsed onto the company's office in the blast, trapping workers, office personnel and a fisherman.

On Wednesday, one body and six survivors were pulled from the tons of wreckage. One of the injured was hospitalized with a broken leg, the police said.

But a day later, five more bodies were found and the search was continuing.

Sweaty Roman Breaks Bernini Fountain, and Smirks

By Celestine Bohlen
New York Times Service

ROME — The first news flash last Tuesday was that someone, described as a youth and a tourist, had gone for a dip in the Bernini fountain at the center of Piazza Navona, and broken off the piece of a marble dolphin's tail.

Damage to one of Rome's most beloved outdoor monuments was bad enough, but the news got worse. The culprit, it turned out, was neither young nor a tourist — but a 43-year-old Roman who oot only will not say he's sorry, but also now wants to sue the city for damages.

It was a whim, like eating watermelon, said the Roman, Sebastiano Intili, dressed in flowered pants and open shirt when he and his two companions were booked on vandalism charges. "I climbed up on the tail, I dove in and the statue broke. Then I climbed up again, and dove again. I even hurt my foot!"

And so the story of the damaged Fountain of the Four Rivers, which began as another episode in Rome's war against vandalism, quickly became another kind of yam — this one not about the city's monuments, but about its street life, about men like Mr. Intili and his two 33-year-old friends Giovanni Pisano and Mario Giorgini, all three unemployed, who spend their summer days either on the piazza or at the beach.

"We wanted to take a dip, just like we did when we were kids," Mr. Pisano, who lives in a Vatican-owned building in the center of Rome, told one newspaper reporter.

"Are you all crazy?" Mr. Giorgini, speaking in a broad Roman dialect, told the newspaper Repubblica in an interview about his life in a high-rise on Rome's outskirts. "We didn't kill anyone. My friend was hot, that's all."

The tail fell and broke into six pieces, three of which were recuperated when the fountain was drained of water.

Restorations experts say it will cost 15 million lire (\$8,400) to repair, and Culture Minister Walter Veltroni is promising that it will be done by October.

In a city like Rome that is an open-air museum, protecting monuments by such mas-

ters as Gian Lorenzo Bernini, whose Baroque sculptures grace Rome's museums as well as its fountains, is difficult.

Episodes like the damage to the Piazza Navona dolphin (some describe it as a sea monster) only cause more debates about how to prevent vandalism, deliberate or accidental.

The city's first move has been to raise the fines for bathing in its fountains, a popular practice that predates scenes from Federico Fellini movies, from 150,000 lire to 1 million.

Rome's mayor, Francesco Rutelli, has proposed making vandals go to work to fix the damage they have caused; noted art historians have discussed creating a corps of student volunteers to patrol outdoor monuments, while the film director Franco Zeffirelli sug-

gested corporal punishment for such vandals.

Asked to assess the damage, Vittorio Sgarbi, a member of Parliament who lives on Piazza Navona, said most harm would be done to Italy's image.

"Everyone abroad will know about the damage caused by these gentlemen," he said.

"We don't cut a very bella figura."

But meanwhile, Aldo Ceccarelli, a lawyer famous around the Roman courthouse for his colorful language, argued Thursday that his latest client, Mr. Intili, who spent last night in jail, had jumped into the Piazza Navona fountain at great personal risk, and should be awarded 10 million lire in damages.

"The fountain is in a decrepit state," the lawyer said. "These things should not be kept this way."

Albania Says NATO Will Supply Provisions and Equipment for Its Army

Reuters

TIRANA — A visiting NATO delegation told Albania on Thursday that the Western military alliance would help rebuild the Balkan country's shattered army after months of chaos and unrest, state television reported.

"We are determined to help Albania and will work to agree important assistance to its army," Georges Katairakis, head of the

NATO delegation, was quoted as telling Perikli Teta, Albania's state secretary for defense policy.

The army's resources were heavily depleted in March when thousands of Albanians, enraged by the collapse of pyramid investment schemes, looted military barracks of about one million weapons.

Albanian television said that the delegation

had invited the country's authorities to cooperate with what it called "NATO's clearinghouse," a forum that would coordinate monthly requests for the provision of necessary equipment to Albania's army.

NATO would advise the military on how to secure army barracks and would help in reorganize the armed forces with the aim of bringing them up to Western standards.

No-Confidence Bid Gains in Poland

Ruling Ex-Communists Face Defeat in Advance of Elections

The Associated Press

WARSAW — The biggest opposition party in Parliament has switched gears and declared support for a no-confidence motion launched by the Polish Peasant Party nearly a month before elections.

The Freedom Union's decision, announced late Wednesday, means that the ruling Democratic Left Alliance, the former Communists, could be defeated by a slim margin when lawmakers vote on the motion Tuesday.

With legislative elections set for Sept. 21, a no-confidence vote against the government would have little immediate consequences, but in the long term, it could strengthen the Peasant Party's position as a swing player in forming the next coalition.

While the Peasant Party had been expected to form another government with the ruling

party, it now could join forces with the opposition Solidarity bloc.

The Peasant Party, the Democratic Left's junior coalition partner for the past four years, started their no-confidence campaign after Prime Minister Wlodzimierz Cimoszewicz refused to discuss increased state grain purchases in the immediate aftermath of the country's disastrous floods.

The Freedom Union's support was a surprise, because the party has previously criticized the no-confidence motion as an attempt by the Peasant Party to gain popularity with farmers before the elections.

President Aleksander Kwasniewski has said he would refuse to dissolve the government if it loses the motion, and has urged the Peasant Party to withdraw from the coalition if it disagrees with his policies.

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INTERNATIONAL

500,000 Young People Cheer Pope as He Opens Visit to Paris

By Craig R. Whitney
New York Times Service

PARIS — Pope John Paul II began his first visit to Paris since 1980 on Thursday on a vast esplanade named for the god of war in a festive encounter with a crowd of 500,000 young people from around the world whom Roman Catholic Church authorities invited here to meet him and ponder the Christian message for the modern world.

The Pope, 77, looking stooped in his white cassock under the 30-degree centigrade (90-degree Fahrenheit) heat from a scorching summer sun but refreshed by the warm welcome from the flag-waving, singing, cheering masses gathered on the Champ de Mars, asked them to meditate on how to put their beliefs to the service of others.

On this, the sixth trip he has made to France during his papacy, John Paul flew into Orly International Airport and rode by helicopter into the city.

President Jacques Chirac welcomed him with a speech evoking the problems of unemployment and uncertainty the young face these days in Europe and many other regions.

"Their generation seeks not only a minimum of material necessities," the Pope responded, "but also for reasons for living and goals that will motivate their generosity."

"They realize that they will only be happy if they are well integrated into a society where human dignity is respected and fraternity is genuine," the Pope said.

John Paul then went to the Square of Liberty and Human Rights on the heights of Trocadero square, looking across the Seine to the Eiffel Tower, to pay homage to the memory of Joseph Wresinski, a French priest who supported the right of people in the poorest countries to the dignity of a decent existence.

On Friday, the Pope will preside over

a beatification ceremony in Notre Dame Cathedral for Frederic Ozanam, a 19th century French Roman Catholic layman and intellectual whose calls for social justice inspired the creators of the modern Christian Democratic movement in Europe and the charitable Saint Vincent de Paul societies associated with the church around the world.

Beatification will put Ozanam one step short of sainthood.

Many of the young pilgrims wore souvenir T-shirts designed by Jean Charles de Castelbajac, a couturier who is one of many official sponsors of the weeklong World Youth Day program. It will end Sunday with an open-air Mass celebrated by the Pope.

The masses in the Champ de Mars, with a sign on the Eiffel Tower now counting 863 days until the year 2000, greeted the Pope enthusiastically in a welcome full of pageantry.

John Paul read the list of the more than 100 countries that had dispatched delegations to the gathering, which includes

hundreds of separate daily meditation vigils, and then read messages to many of the delegations in their own languages.

Despite the images of fervent belief, a poll taken for a French Catholic newspaper, La Croix, and French television Thursday found that religion played no significant role in the lives of 63 percent of French people between the ages of 18 and 30, according to a sample of 500 people who were asked how important it was to them.

The poll found that 77 percent of French youth believed the church exercised a negative influence in the debate over abortion, and 64 percent thought the same of its role in the fight against AIDS and other sexually transmitted diseases.

Several dozen anti-abortion demonstrators calling themselves the Jerome Lejeune Foundation forced their way Thursday into the courtyard of the Am-

broise Pare Hospital in suburban Boulogne-Billancourt, near the Longchamp racetrack where the Pope will celebrate Mass on Sunday, before the police ejected them.

Mr. Lejeune, who died in 1994, was a genetics professor who opposed abortion. The Pope plans to make a private visit to his grave in a southern suburb of Paris late Friday, but the Lejeune family and a foundation named for him both condemned the demonstration Thursday, saying they had no connection with it.

Some critics blamed the Pope for the hot weather.

Bringing so many people to Paris during a heat wave increased air pollution, they warned, and ozone levels soared so high Thursday and Wednesday that the authorities cut fares on the Paris mass transit system in half to encourage people to leave cars at home. Most of the young people travel by subway or bus anyway.

Paris Has a 2d Day Of Pollution Alerts

Reuters

PARIS — Ozone pollution reached alert level in Paris for the second straight day Thursday, even though the authorities halved fares on buses, the subway and local trains to encourage motorists to use public transport.

Airparif, which monitors the quality of air in the French capital, said pollution again reached "level two" in a continuing heat wave. A "level three" alert requires mandatory curbs on private cars and free public transport in large cities.

Environment Minister Dominique Voynet told French radio she would order alternate car traffic if level three was reached, banning cars whose license plates end with an even number on one day, and those with odd numbers on the next day. Paris has been plagued for a week by high ozone levels.

Israeli Is Hit In Lebanon By Shellfire Of Hezbollah

Reuters

MARIJAYOUN, Lebanon. — One Israeli soldier was wounded Thursday in Hezbollah shelling inside Israel's south Lebanon occupation zone, pro-Israeli militia sources said.

The soldier was taken to Israel for medical treatment, they added.

They said Hezbollah guerrillas fired mortar shells into the Israeli outpost of Jabal Blat in the western sector of the zone.

Earlier, the pro-Iranian group said its fighters attacked an Israeli patrol in the same area with machine guns and rocket-propelled grenades.

The reported attack took place amid heightened cross-border violence between Lebanon and Israel. Since Monday at least 10 civilians have been killed in south Lebanon by pro-Israeli militia shelling and bombs planted by unidentified assailants.

On Wednesday, Israeli planes staged three air raids into Lebanon a day after Hezbollah guerrillas fired rockets into northern Israel.

The violence has somewhat overshadowed a war of wills between Israel



HOUSE ARREST — Tatiana Suszkin, an Israeli artist who depicted the Prophet Mohammed as a pig, being led in handcuffs from court in Jerusalem on Thursday after she was released on \$14,000 bail and ordered to remain at home. Disorders in the West Bank and Gaza were blamed on the incident.

and Yasser Arafat's Palestinian Authority over a crackdown on Islamist militants opposed to peace with Israel.

An Israeli official criticized Mr. Arafat on Thursday for playing host at "national unity talks" with the militants

and told him to choose between embracing their leaders or making peace.

On Wednesday, Abdelaziz Rantissi, a prominent leader of the Muslim militant Hamas movement, embraced Mr. Arafat during a meeting of Palestinians

in the Gaza Strip. "He is two-faced," said Danny Naveh, a senior adviser to Prime Minister Benjamin Netanyahu.

"On the one hand he says he is against terrorism, and afterwards he runs to hug the killers of women and children,"

13 Western Nations Urge Kenya to Open Dialogue

Compiled by Our Staff From Dispatches

NAIROBI — Thirteen Western nations on Thursday urged government and opposition in Kenya to enter a dialogue in order to ensure that elections to be held later this year are free and fair.

In a joint statement issued by the U.S. Embassy here, they condemned an outbreak of violence in the coastal region of the East African country and urged all parties not to allow the violence to deflect them from dialogue.

The statement by the 13 embassies urged both sides "to enter into dialogue in the spirit of compromise and with a commitment to agree on reforms necessary to ensure free and fair elections."

"This dialogue should be given sufficient time to achieve this objective prior to the general elections," said the statement, which was issued on behalf of the embassies of Austria, Belgium, Denmark, Finland, Germany, Japan, the Netherlands, Norway, Sweden, Switzerland and the United States and the High Commissions of Canada and Britain.

The French Embassy in Nairobi did not subscribe to the statement.

The government of President Daniel arap Moi and the opposition have accused each other of responsibility for the mayhem, which has since subsided after the arrest of several hundred

people suspected involved. In Mombasa, however, thugs continued to attack people from non-coastal tribes on Thursday while tourists kept off the streets in their hotels.

"More than 30 men invaded our compound," said Ruth Anna, a Luo woman who ran up to an Agence France-Presse reporter as heavily armed paramilitary policemen arrived at the village of Ujamaa, south of Mombasa.

They had guns and pangas, she said, using the local words for machetes. "We ran," she said. "They know me now, they could even kill me."

Ms. Anna and her sister were staying the village with friends from the inland Kikuyu tribe. Their own tribe is based in western Kenya around Lake Victoria.

Dozens of heavily armed policemen in camouflage fatigues, who drove up in four-wheel-drive vehicles and trucks, searched houses and the nearby bush, arresting about 20 young men.

The accused included Amir Hamisi Ali Banda, from Markaz mosque in Ukunda south of Mombasa, and Ali Said Chidzondo, chairman of the unregistered National African Democratic Union.

A total of 62 suspects in Mombasa court were accused Thursday of robbing Likoni police station on Aug. 13, killing a policeman, stealing weapons including 40 rifles and damaging property. (APR, Reuters)

ISRAEL: A Dangerous Dynamic Begins Driving the Latest Crisis With the Palestinians

Continued from Page 1

meetings with the leaders of such militant groups as Hamas and Islamic Jihad and to begin to adopt some of their rhetoric.

On Wednesday, Mr. Arafat went so far as to warn that the Palestinians were prepared to resume their violent revolt against Israel.

"There was an uprising for seven years," he said. "Seven years. We can erase and do it all over again from the beginning. There is nothing far from us. All options are open to us."

In response, Danny Naveh, Israel's cabinet secretary, accused Mr. Arafat on Thursday of being "two-faced."

"He says he is against terrorism," Mr. Naveh said, "and af-

terward he runs to hug the killers of women and children."

Two weeks ago, when the U.S. special envoy, Dennis Ross, co-chaired an emergency mission to the region, he said he believed he had at least "stopped the deterioration" in Israeli-Palestinian relations. Indeed, under American auspices, Israeli and Palestinian security officials have resumed regular meetings, including a session due Thursday night.

With CIA officers present to reassure both sides that they will not be falsely accused of holding back, the Israeli and Palestinian officials have exchanged information related to the July 30 attack, in which two suicide bombers killed themselves and 14 others. The attack remains essentially unsolved.

Even Mr. Arafat met this week

with Ami Ayalon, the head of Shin Bet, the Israeli security service. That may have been merely an attempt to persuade the United States that he is acting in good faith or it could have been a sign that he is less intransigent in private than in public.

But the Palestinian leader has repeatedly said that he will "not bow" to Israeli demands, which include the arrests of more than 200 Islamic militants, the disarmament of many more and further steps that Israel has said are necessary to crumble the infrastructure of terrorism.

If Mr. Netanyahu and his aides had not spelled out their demands so explicitly, there might have been more room for compromise.

That might have also been the case if the prime minister had heeded U.S. appeals to resume immediately

payment of tens of millions of dollars that Israel owes to the Palestinians but has withheld since the bombing as a punitive gesture.

Mr. Netanyahu apparently calculated that with his main source of revenue cut off, the Palestinian leader would have to do as Israel asked. The prime minister has repeatedly defended the use of the economic sanctions by comparing them to those the United States imposes on Iran, Iraq and Libya to punish their support of terrorism.

Instead, the measure appears to have left Mr. Arafat feeling even more cornered.

To the open dismay of Israeli officials, Mr. Arafat has all but ignored demands for a wider security crackdown. Rather than arrest the militants named on lists provided by

Israel, the Palestinian Authority appears in some cases to have provided them with bodyguards to protect them from possible Israeli capture, according to Mr. Netanyahu's communications director, David Bar-Ilan.

The partnership between Israel and the Palestinians had fallen to such a low point by the time Mr. Ross arrived here Aug. 9 that it may still be true that it has not deteriorated further.

But what has happened since the envoy departed five days later appears only to have deepened the impasse: Palestinian policemen have begun for the first time to enforce a boycott of certain Israeli goods, halting commercial vehicles to search for products that the Palestinian Authority has ordered banned.

MIR: 2 Cosmonauts Get Set for Crucial Mission to Repair Mir - and Rescue a Space Program

Continued from Page 1

science program" with the existing power, said Jim Van Laak, deputy director of the U.S.-Russian Shuttle Mir program. To obtain a marginal boost in power, however, Mr. Solovoyov and Mr. Vinogradov have to carry out a difficult "internal" space walk that has its own peculiar challenges. They will leave the pressurized Mir and, wearing Orion space suits connected with 33-foot (10-meter) umbilical cords, they will explore the airless Spektr research module, which was punctured in the accident, installing a specially constructed new batch and connecting wires to it.

Waiting for them in the Soyuz escape capsule nearby, docked to the core of the Mir, will be the American astronaut, Michael Foale, ready with food, supplies and space suits for a possible descent to Earth. Mr. Foale will be in shirt-sleeves, not wearing his space suit, NASA officials said, but he could put it on if need be. He will be sitting in the

descent module that would be used in case of an emergency escape. In the worst-case scenario, if the repair job goes terribly awry, the Russians will retreat to the Soyuz, change their space suits, slide into seats next to Mr. Foale and abandon Mir.

As they awake Friday morning and prepare to start the repair mission, Mr. Vinogradov and Mr. Solovoyov face myriad technical hazards: using their pressurized gloves hands for delicate maneuvering in an airless environment, tethered by clumsy umbilical cords, floating in a tin can possibly filled with shards of glass or dangerous chemicals.

The object of their attention is the Spektr research module, launched from the Baikonur Cosmodrome in Kazakhstan in 1995 and docked with Mir. It was serving as the living quarters for Mr. Foale — his sleeping bag was tied up to one wall — as well as housing numerous American and Russian experiments. When the Spektr was punctured in the accident, the air seeped out. No one knows for sure what's now floating

around inside the abandoned chamber.

In the first phase of the mission, Mr. Vinogradov and Mr. Solovoyov will move into a small, round room known as the transfer node, connecting the base block of the Mir to the Spektr. They will have with them tools and a special hermetically sealed replacement hatch, with 23 electrical connectors running through it, which was made on the ground weeks ago.

Once inside the transfer node, the cosmonauts will let out the air. They will be surviving in space suits with umbilical cords carrying oxygen, power, communications and cooling. The space suits are pumped up, so they can be awkward and bulky, but Russian and American officials say the cosmonauts have used them extensively.

Mr. Vinogradov will then open the hatch to the crippled Spektr. His first job is simply to look around and see if anything has changed since the craft was deserted two months ago. Chemicals and glass from ruined

experiments are the chief worry.

"It will be dark in the Spektr," said Gregory Harbaugh, manager of the spacewalk project office for the National Aeronautics and Space Administration and a veteran spacewalker, who added that Mr. Vinogradov would put some lanterns nearby to help illuminate the chamber, and will wear a helmet lamp on his suit. "So, it will be a little bit dark, kind of like going into a dark closet but not real dark. You know, there are no monsters in there that they need to worry about or anything."

Mr. Vinogradov will then slide carefully through the hatch feet-first into the Spektr, just deep enough so that his head is near the opening.

One of the potential problems is the umbilical cord, which could get tangled or snagged. Mr. Solovoyov will remain in the transfer node, paying out the umbilical like a garden hose. If the cords get cut or twisted up, Mr. Vinogradov could by hand detach it from his space suit and would have 30 minutes or more to get back into the transfer node and

reattach the cords before running out of air, NASA officials said.

Likewise, the Russian space suits could be torn or snagged, which in a severe case would be fatal. But the officials said the suits can sustain a small puncture for about half an hour, giving the cosmonaut time to retreat to safety.

Once inside Spektr, the plan calls for Mr. Vinogradov to take a break if he needs it. Overall, the two cosmonauts have seven hours of oxygen on hand, for an operation estimated to take four hours and 15 minutes.

The most difficult phase comes next. Mr. Vinogradov must find and connect 11 wires inside the Spektr that will run through the replacement hatch. Eight of the wires will bring electricity from Spektr solar panels, one will help point the Spektr's solar arrays toward the sun, and the other two are spares.

Of the 11 cables, four of them are expected to be particularly difficult to reach and attach, because they are located behind another hatch, and Mr. Vinogradov will be moving his bulky, gloved hands in from each side. He will have to feel his way along. The Americans have provided the cosmonauts with a special connector tool, but the Russians have decided to try the repair by hand.

Mr. Harbaugh said, "It takes a certain amount of dexterity to mate or de-mate connectors." He said, "It's not as simple as just punting a plug in a socket on the wall. You actually have to bring two pieces together and apply a torque or a twist to them. And now these connectors said, when the maneuver is done in a fairly friendly that way."

But, he said, "It is more difficult to move the fingers. It makes it all the more difficult to squeeze the hand. And you have to squeeze the hand to grip the connector to do the mating and de-mating operations that are being anticipated here."

SMOKE: Philip Morris Chairman Says Smoking 'Might Have' Caused Deaths

Continued from Page 1

ton attorney who was a lead negotiator in the recent tobacco talks.

Tobacco companies, said Mr. Coale, who represents private class-action suits against the companies, have long maintained that a causal link between smoking and disease had "not been proven, and here he has said it might have."

Shares in Philip Morris fell \$1.125 each in late trading, to \$44.625.

In the deposition, Mr. Motley asked Mr. Bible:

"Would Philip Morris agree that a single American citizen who

smokes their products for 30 or more years, a single one, has ever died of a disease caused in part by smoking cigarettes?"

Mr. Bible answered, "I think there's a fair chance that one would have, might have."

Mr. Motley then asked, "How about a thousand?"

Mr. Bible said, "Might have."

Mr. Motley continued, "How about 100,000?"

Mr. Bible responded, "Might have."

Mr. Motley said later on CNN: "I salute Philip Morris for the first time in 40 years being forthright and candid."

Suits like Florida's were a major factor in pressing tobacco makers to agree earlier this year to a \$368.5 billion proposal under which they would establish a fund to settle individual lawsuits, and accept substantial limits on the sales and marketing of their products, but obtain immunity from further class-action and similar suits.

The agreement awaits congressional action, which is expected by the end of the year. The Clinton administration is debating whether to recommend some tightening of the terms of the accord. Federal health officials estimate that the settlement, as it stands, could cause the

number of American adults who smoke to drop from 50 million to 39.5 million by 2002.

About 450,000 Americans die each year from tobacco-related illnesses, health officials estimate.

Legal pressures on U.S. tobacco companies have been growing fast in recent years. R.J. Reynolds, for example, faced 234 active lawsuits from individual smokers and their relatives as of the end of last year, up from 54 cases at the end of 1994.

Like Philip Morris, most tobacco firms expect to lose U.S. sales but plan to raise foreign sales. In the past decade, Philip Morris has doubled the volume of its foreign cigarette sales.

A WEEK IN THE LIFE OF THE IHT

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Make Flying Safer

The hideous, flaming ovoid crash of ValuJet Flight 592 last year was the result of supervisory failures "all up and down the line, from federal regulators to airline executives in the cockpit," said the National Transportation Safety Board, whose investigators found, among much else, that the Everglades disaster in which all 110 aboard were killed might not have occurred had the Federal Aviation Administration followed a decade-old recommendation of the board to require fire detection and suppression systems in aircraft cargo holds.

The fault was well a breakdown of the self-checking, testing and oversight systems in the industry and government supervisory procedures, together with loose controls on maintenance contractors and inadequate training in handling hazardous materials.

In the end, with a violent fire raging aloft, flight controls failed in the extreme heat, investigators say, with smoke or heat possibly incapacitating the crew in the final seconds. Had there been smoke detectors in the cargo hold, and fire suppression equipment as well, the board thinks that there likely would have been time to land safely. In the board's view, if the FAA had responded adequately to fire safety recommendations made as early as

1988, the ValuJet flight "would likely not have crashed."

Since the crash, the FAA has examined the way it regulates aviation and, officials say, made some major improvements. The agency has a proposed rule to require fire detection and suppression systems, as well as more inspectors, and it has ordered new procedures for handling hazardous cargo.

But the follow-ups have been slow — and the explanations about the time that federal rule-making requires and the difficulties of obtaining and phasing in new safety equipment rightly strain the patience of an increasingly air-safety-conscious public.

The new FAA administrator, Jane F. Garvey, has pledged to press for swifter action. Safety improvements that in the past may have been considered too expensive must also be reassessed.

Right after ValuJet 592 crashed, then Transportation Secretary Federico Peña rushed to assure the public that "This airline is safe." He added, "If ValuJet was unsafe, we would have grounded it." How haunting this claim so quickly became.

Stonewalling, hedging and statistics about the relative safety of aviation won't wash with a public that now relies on air travel as another form of mass transit.

—THE WASHINGTON POST

Latin Dishonor

For the last three weeks, General José Francisco Gallardo has been in solitary confinement in a Mexican military barracks. He is now in his fourth year of prison after accusing soldiers of involvement in killings, torture and drug deals. Senior officers in Peru and Colombia have also been imprisoned or disciplined for blowing the whistle on military abuses. The reprisals against them reveal the true character of three governments that claim to protect human rights.

General Gallardo made enemies through the unlikely avenue of his master's thesis in political science. His 1993 paper recommended that a civilian-appointed ombudsman investigate reports of military crimes, and detailed several cases where he believed the army was involved. A small magazine printed parts of the thesis, and General Gallardo was arrested for defaming the honor of the military. He was acquitted and now awaits trial for corruption, a charge which he argues is trumped up.

This January the Inter-American Commission on Human Rights, part of the Organization of American States, condemned the Mexican government for jailing General Gallardo and recommended his immediate release, payment of damages and investigation of those who jailed him. The government not only refused, it has locked him in solitary confinement, perhaps to silence his ongoing reports about prison torture.

Retired General Rodolfo Robles of

Peru has been more fortunate. In 1993 he was the third-ranking officer in Peru's army. That May he accused a group of intelligence officers of the notorious kidnapping and murder of a professor and 10 students the year before. He said that Peru's strongman Vladimir Montesinos, who runs the National Intelligence Service, had directed the death squad. Last year General Robles accused the same group of bombing a television station.

Both accusations brought charges, first of insubordination and then of insult. The first time he fled the country. Last year a public outcry persuaded President Alberto Fujimori to grant him amnesty after he served 11 days in prison. He has brought his case for restitution and return to active duty before the Human Rights Commission.

In Colombia, Colonel Carlos Alfonso Velásquez was cashiered after he criticized the army's tolerance of right-wing paramilitary death squads. In the last 15 years, dozens of top military men have been credibly linked with the paramilitaries.

Meanwhile, Colonel Velásquez, who was considered an incorruptible leader of the army's anti-drug task force in Cali, works as a security specialist for a Bogota business.

All three of these governments repeatedly insist that their militaries follow the rule of law and punish officers who do not. By punishing whistleblowers instead, the militaries dishonor themselves.

—THE NEW YORK TIMES

Banning Land Mines

Long after wars end in many parts of the world, one particular kind of weapon goes on exploding. Land mines are cheap, lethal — and long-lasting. More than 100 million of them are buried in current and former battle zones, with another 2 million being laid each year. That is far more than are being uncovered and dismantled. Most often the victims of these weapons are civilians, frequently children, who are most likely to skip away from a treacherous path and find themselves suddenly legless.

The horror of this carnage has sparked a popular movement to abolish land mines altogether, a movement toward which official Washington has shown ambivalence.

U.S. companies do not make, and U.S. forces no longer deploy, "dumb" mines, which last forever. On the other hand, many in the Pentagon are reluctant to program themselves to self-destruct after a few days and which, tacticians argue, can be useful in channeling enemy forces. But mine opponents fear that any exceptions would weaken the chances of a worldwide ban.

Now the weight of opinion within the Clinton administration is shifting appropriately toward a ban, and toward the argument that most military functions assigned to mines can be assumed

by other weapons and revised tactics. This week the administration took a useful step toward abolishing land mines when it agreed to participate, beginning on Sept. 1, in a disarmament conference sponsored by Canada.

This so-called Ottawa process is a voluntary, nonbinding, one-country-at-a-time effort intended to build momentum toward a mine-free world and to shame those nations that won't at first participate. More than 100 countries have signed on already. The United States has not yet promised to endorse full prohibition; it wants exceptions for its forces in Korea and, less justifiably, for certain narrowly defined classes of weapon. But its agreement at least to enter the process represents a welcome switch.

Meanwhile, the United States will rightly continue pressing in Geneva for a more formal, binding, verifiable treaty. This forum has the advantage of involving all nations — including major exporters such as Russia and China, which have shown no interest in the Ottawa declaration. Its reciprocal disadvantage is that any single nation can slow or stymie progress. Movement in the Ottawa process can only help push Geneva along. The United States is right to pursue both tracks.

—THE WASHINGTON POST

Back to Mideast Fundamentals: Peace or Not?

By Flora Lewis

BINI CALAR, Menorca, Spain — The prospects for an Israeli-Palestinian peace are not fading, they are dead. At this point, it will take a whole omelette, at least as far-reaching as Oslo, to resuscitate them, and it will be harder than before because of the disillusion.

The Israeli government and the Palestinian leadership made the Oslo breakthrough by themselves, under Norwegian auspices but without outside intervention. Now it appears that the United States will have to provide the initiative, and it clearly is not yet prepared for that.

Before going to the Middle East, Secretary of State Madeleine Albright needs to make a fundamental assessment of where the two sides stand and their ultimate expectations, to reveal what if any common ground now exists. It is no longer much use to focus on specifics — how many suspected terrorists Yasser Arafat's police must arrest, which road Palestinians may travel and when.

Benjamin Netanyahu says he still wants peace, but security must come first. So Mrs. Albright should sit down with him and ask, then what? What is his long-term strategy? Just what kind

of neighborly coexistence does he envisage for the two societies, and how does he propose to achieve it?

She should sit with Yasser Arafat and ask the same questions. What does self-government mean? What mutual constraints are acceptable and enforceable?

Who has the gift of peace in his hands to give? Who will be the prime beneficiary? To most people, the obvious answer is both sides. But to those who say it is the other side, peace means only a victory that is impossible to achieve and that the United States cannot guarantee no matter what it does.

The time provided by the Oslo formula for incremental steps to build confidence for a final compromise has gone by. It has not brought any confidence. On the contrary, there is much less confidence than five years ago. But that does not mean that plunging straight into "final negotiations" on the most contested issues would bring any better results than edging up to them has done.

Judging by his recent decisions, Prime Minister Netanyahu's plan for Palestinian self-government appears to

be a disconnected set of enclaves on a minimum of territory which can be disrupted, surrounded, denied any chance of viability at the sole discretion of Israeli authority.

He refuses to consider an independent or even federated state, with Jordan, whatever the constraints on arms and security, which is the minimum definition of peace for Palestinians. Otherwise, they quite reasonably consider themselves still to be living under occupation even if the Israeli soldiers are only at town limits and not patrolling or destroying houses anywhere they see fit within Palestinian areas, as they did before the start of autonomy.

It is a mistake to focus on a succession of individual knots in this terribly tangled web of aspirations, fears and oaths — omelette-by-omelette rules for Hebron, now a list of prisoners — and to proclaim that "progress" is being made in the "peace process." It only distracts from a requisite clarity of purpose.

It does not really matter whether the two suicide bombers of Jerusalem's central market were living within the borders of mandated Palestine or infiltrated from a Palestinian camp outside. They represent an extremist

danger which Israel cannot fully eliminate among its own citizens — as shown by the assassination of Prime Minister Yitzhak Rabin or the Hebron massacre by the American-born Israeli Baruch Goldstein.

Fanatics are always a danger, and their society needs incentives to isolate and defang them. Mr. Netanyahu is relying on fierce collective punishment to provide the incentive, but it won't work. Such is the dialectic of guerrilla warfare.

And then, what if Mrs. Albright puts the right questions and gets no forward-looking, usable answers, only more self-justifying polemics? At least the United States will know the reality with which it is dealing and stop stumbling along from disappointment to disappointment.

The United States has guaranteed the survival of Israel. It must and will stand by that. But the commitment implies a right to ask what kind of Israel, based on what intentions toward its neighbors, what is to be expected and what is the goal. If, after all the hopes, there is no current basis for achieving a peaceful settlement, then U.S. policy must take that candidly into account.

© Flora Lewis

The Dow Is Way Up, but American Democracy Is in Trouble

By Curtis Gans

WASHINGTON — The Dow-Jones average has climbed above the 8,000 mark, and American unemployment has continued to hover around 5 percent. But the income chasm between the rich and the poor is at its widest since the 1920s, and the homeless population is likely to grow because of unintended effects of the new welfare law.

The crime rate is modestly down in several major American cities. But the United States still has by far the highest crime rate and the largest incarcerated population of any major democracy.

Some social indicators are up — for instance, test scores of high school students in math and science. But more than half of New York public school third-graders who have English as their native language are not reading at grade level.

Only about a third of the spate of church-burnings have proved to be racially motivated. But perhaps more than 100 racially motivated church burnings might be seen as too many.

Possibly because of these and several other factors — dissembling at the White House by various presidents beginning with Lyndon Johnson, the rise of television as an atomizing and fragmenting force in society, various shocks to the political system starting with Vietnam, the atrophying and misalignment of the major political parties, and the increasingly execrable conduct of American campaigns — citizens have been turning away from politics for reasons that are anything but benign.

Voter turnout, the minimal act of civic engagement, fell below 50 percent last year for the first time since 1924. The United States, if one counts both its presidential and midterm elections, has the lowest participation rate of any advanced democracy.

The decline in participation

has been the largest and longest in the country's history. While affecting all classes, ages, incomes and races, it has not been uniform. Since 1988 it has been heavily concentrated in the lower-income strata, and since 1972 among the young.

The participation rates of those with incomes under \$15,000 declined by 20 percent in the period from 1990 to 1994. Most in this bracket are voting at a rate below 10 percent in midterm elections.

The participation rates of young people aged 18 to 24 has fallen from a high of 42 percent in 1972 to below 30 percent in the most recent presidential

election and 16 percent in the 1994 elections.

The gap between the participation rates of African-Americans and whites, which had narrowed in the aftermath of the Voting Rights Act to just slightly more than five percentage points in 1984, widened again to more than 10 points in 1994.

Faith in the major institutions of the polity — Congress, the press, the political parties, among others — hovers around a 60-year low, according to most public opinion polls. And partisan registration figures in the 24 states that compel and compile such identification show a decline of 25 percent in

Democratic registration in the past 30 years, a decline of 10 percent in Republican registration outside the South, and a more than 400 percent increase in third-party and independent registration in the same period.

The danger to democracy in all of this should be evident.

Because voting is a lowest-common-denominator political act — that is, people who don't vote tend not to participate in any other societally useful activities — decline means both diminution of social capital and a polity increasingly dominated by the self-interested and the zealous.

Without strong and publicly supported integrating institutions, coherent political debate

and sound public policy become increasingly hostage to organized factions.

And while it is true, as Walter Lippmann suggested, that the citizen's eyes glaze over when confronted with public policy detail, both the durability and the legitimacy of policy and leadership are threatened when only a third of the citizenry (those who vote in midterm elections) or half (those who vote in presidential elections) participates in the shaping of the country's general direction.

The writer directs the non-partisan Committee for the Study of the American Electorate. He contributed this comment to The Washington Post.

Sorry, Banning Land Mines Is Not a Good Idea

By Frederick Bonmart

B RUSSELS — Some 26,000 people a year are killed or maimed by leftover anti-personnel land mines, the U.S. State Department estimates. Public pressure is mounting for a ban. It would be a mistake.

A ban is unlikely to be universal agreement. It would be difficult to control and impossible to enforce. It would bind only nations which, when they use mines, do so in an orderly and therefore not subsequently damaging fashion.

Confusion about the means to achieve desired nonviolence is not new. It was prevalent in the anti-nuclear campaign during the whole confrontation period with the Soviet Union.

It is not the weapon that is the root of the evil. The terrible damage inflicted on multitudes of human beings in places like Rwanda and Algeria with knives, sticks or stones shows the need for very different international arrangements.

Lack of consensus at the 61-nation United Nations disarmament conference in Geneva re-

sulted in an initiative by Canada for willing countries to subscribe to a ban on land mines. Overcoming previous reluctance, President Bill Clinton agreed on Tuesday to participate in the preparation of such a draft treaty, due to be introduced in Ottawa on Dec. 2.

But the American side will attach several conditions, in particular the right to retain land mines on the Korean Peninsula and a strict verification regime, which do not satisfy others.

Land mines are a highly effective defensive weapon. They are light, easily transported and concealed; quickly laid and difficult to detect. Covered by gun fire, they can create a formidable obstacle.

Although modern warfare is increasingly mobile, positions would still have to be held in combat. Mines provide a powerful means for troops to protect themselves rapidly.

No major conflicts are on the horizon, and mine fields have

no application in peacekeeping operations. But nations still spend a significant part of annual income on defense, for which they continue to acquire lethal equipment. It would be illogical to exclude land mines.

In addition to the former battlefields where their widespread use now causes such spectacular damage to innocent bystanders, they were laid in more recent conflicts — in Bosnia, in the Gulf War, in the Falklands.

Unlike nuclear, chemical or biological weapons, which require scientific and technical knowledge and capabilities, as well as large-scale manufacturing and storage facilities, basic land mines are easy and cheap to manufacture. Regardless of any ban, rogue regimes or irregular forces will always acquire and use them if they feel they need them.

Regular forces of law-abiding nations bound by a treaty would be deprived of them. So it is not surprising that military establishments responsible for the defense of such countries advocate their retention. As a result, it may not be possible to obtain an agreed treaty.

Another, more limited objective would be achievable. Records can be made easily and quickly of mines laid while an operation is in progress; the mines can be lifted shortly thereafter. This is normal practice in regular forces, since such mines left behind create a danger to their own troops. It would also be in the interest of less organized elements, and could therefore become universally accepted practice.

Prompt mine clearance could be enforced by the victors in any conflict. A tragic omission was

made at the conclusion of the Gulf War. The cease-fire should have been made conditional on Iraqi forces clearing their own mine fields in Kuwait as well as in their country.

All nations could commit themselves to the provision of records of mines laid, and to their removal immediately after use. Similarly, they could agree to a prohibition on their sale or transfer; mines' economic value is minimal, and considerable stigma would result from public exposure of transgressions.

Consensus could be obtained for elimination of the most dangerous system, the equipment for indiscriminate mechanical scattering of large quantities of undetectable plastic mines. Such commitments are in the interest of all, and should therefore be readily acceptable.

This solution is not ideal, but it is realistic. It would considerably reduce, and perhaps eliminate, the subsequent consequences of which so many tragic examples have recently been in evidence. Such a treaty could excel not only in its easier international acceptance but also in the universal adherence to its provisions.

In other spheres and on other platforms, more intensive action needs to be undertaken to ensure that the requirement to deploy such weapons is permanently eliminated. It means the inhibition by whatever means are available of armed conflict between groups of human beings, but that is not the subject of this article.

The writer is editorial director of NATO's *Sixteen Nations*, an independent military journal. He contributed this comment to the International Herald Tribune.

New York Has a Police Problem

By Bob Herbert

NEW YORK — Zachary Carter, a former judge and now the U.S. attorney for the Eastern District of New York, which covers Brooklyn, is one of the most prominent figures in the swirl of investigations and other initiatives that have followed the attack on Abner Louima in the 70th Precinct station house.

Mr. Carter has begun a preliminary investigation to determine if there is a pattern of abusive behavior by New York City police officers, and whether such behavior has been tolerated by the people who run the department.

Referring to the Louima case, he said: "A lot of things come out of crisis and tragedy, and I think this event is one that is so extreme and so stark that there cannot be any reasonable disagreement about its seriousness or the possibility that it might be a symptom of a problem that is not confined to this particular incident."

Mayor Rudolph Giuliani and Police Commissioner Howard Safir have been tough in their response to the attack on Mr. Louima. And the creation of a mayoral task force designed to lessen the hostility between police officers and local residents makes sense. But thus far, neither the mayor nor the police commissioner has been willing to publicly acknowledge what must be obvious to them both: that there is a great deal of indefensible brutality in the police department.

Each time I hear that the attack on Abner Louima was an aberration, I think of Carlton Brown, who was left paralyzed from the chest down after officers drove his head like a battering ram into the bulletproof glass doors at the entrance to Brooklyn's 63rd Precinct station house.

I think of Lebert Folkes, who had to have a plate inserted into his head to hold his eyeball in place after he was shot in the face at point-blank range for no apparent reason.

I think of the parents of young people killed by brutal officers, the sense of utter desolation that I have seen in the faces and the voices of mothers and fathers who have not yet learned to speak of their children in the past tense.

I think of the individuals I have interviewed who no longer speak as clearly, or think as sharply, or walk as well as they did before encountering a sadistic, brutal cop. Individuals who had done nothing wrong.

Many voices have been raised against the use of excessive force by the police, but for the most part they have been ignored.

Amnesty International released a study last year into allegations of "ill-treatment, deaths in custody and unjustified shootings" by New York City police officers. The authors were highly critical of

the department and urged the city to conduct its own investigation into the extent to which police officers resort to excessive force amounting to torture or other cruel, inhuman and degrading treatment."

Mr. Safir criticized the report as "short on facts and long on hype." Mr. Giuliani said it was a "scattershot report, not a real analysis."

One of the reasons it has been so hard to stop police brutality is that it has been tolerated for so long by high-ranking officials, both in and out of the department, who refuse to see it as a criminal act committed by criminals.

In an interview last week, Mr. Safir said he had recently begun a program in which all cops who are the subject of more than three excessive-force complaints are monitored to determine if they should be taken off the street. And both he and the mayor indicated that stronger anti-brutality steps are to come.

We will see. Meanwhile, there remains the quiet presence of Zachary Carter. He said he had received the full cooperation of the police department and he expects that to continue. His office is fielding complaints and gathering data from a variety of sources.

But he is not likely to be heard from for a while. That's the way he operates. He is not drawn to the spotlight. All he is interested in is a thorough and complete and honest inquiry.

The New York Times

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OPINION/LETTERS

It's Time for Congress To Think About Work

By E.J. Dionne Jr.

ASPEN, Colorado — Once it stops patting itself on the back for balancing the budget, perhaps Washington can think about problems more immediate to the lives of more Americans. What are they? Here is a clue: the United Parcel Service strike and the reasons it captured so much attention.

The strike was the most important labor battle since President Ronald Reagan took on the air traffic controllers in 1981, but with a very different result and lesson. This time the public was clearly on labor's side. And this time labor not only survived but did well.

The union drove home a few facts: About 60 percent of UPS jobs are part-time, and the base pay for the workers in them, \$8 an hour, had not gone up since 1982. More than 80 percent of the jobs the company created in recent years are part-time.

The point is not that UPS is a bad company. In labor terms, it is better than many. It pays its top end workers quite well. The union message resonated anyway.

The union's public relations effort worked not because of slick advertising, but because it was easy to identify with rank-and-file workers who spoke of their yearning for a

full-time job, and of the hard work they had done in the hope of getting one. Suddenly "Big Labor" was gone, replaced by very human voices.

As Greg Tarpinian of the pro-union Labor Research Association told The New York Times, the Teamsters "used the part-time issue to communicate with the general public, which is feeling insecure about their jobs."

For labor, the strike was important because it gave dramatic (and televised) evidence that in a time of economic change, unions can give employees some voice on issues that matter: part-time work, pensions and health coverage. It involved the economy's growing service sector, not the old and traditionally unionized manufacturing sector. And the strike went on long enough to make its point, but not so long as to arouse public hostility.

But even if this strike gives labor new openings, the private sector worker in 10 has a union card. The widening income disparities between skilled and unskilled workers, underscored by the UPS strike, are a problem across the economy. Here is where Congress could do some thinking.

It might start with the thoughts offered here by David



id Ellwood to the Aspen Institute's Domestic Strategy Group. It is often said that government cannot do much that would be effective for low-wage workers. Not so, says Mr. Ellwood, who is a Harvard professor and a former assistant secretary of Health and Human Services.

He points to four areas where action is possible: policies to ensure "a living wage," to "increase job availability," to improve "long-run opportunities," and to encourage "shared rewards and shared burdens" in the new economy.

Some things are already being done, such as the earned income tax credit, which uses the tax system to get money to lower-income working families. Those fam-

ilies are also being helped by the increase in the minimum wage. Mr. Ellwood asks how far such policies can be pushed without running into economic problems. He would also find ways to expand health and child care benefits for low-paid and part-time workers.

He says we need to take a new look at how trade and immigration policies affect workers at the low end, and at whether payroll tax cuts might spur job creation and increase take-home pay.

His recipes for enhancing opportunities should appeal to a president and a Congress that claim great interest in education.

Mr. Ellwood's intriguing ideas include youth entitlement grants to provide young

people with "capital accounts" for spending on education or training, to be repaid later in life.

He also asks whether business, government and worker groups might cooperate in creating "career ladders" for those currently in dead-end jobs. Working at McDonald's should be a first step toward something better. As for spreading this economy's new bounty more widely, he proposes, among other things, that profit sharing be expanded.

Mr. Ellwood does not pretend to provide a definitive set of answers. He is suggesting that government, often in cooperation with business, could do more than it is doing to grapple with the problems that the UPS strike brought home.

The Washington Post.

Let's Measure the Garage to See If a 'Need' Would Overfill It

By Richard Ford

CHINOOK, Montana — Last week, I for a few moments found myself hunkered down on the grimy concrete floor of my garage with a tape measure, calibrating the distance from the back cinderblock wall to the wooden sliding door, all for the sole purpose of determining if an enormous, 18-and-a-half-foot (5.64-meter) Chevrolet Suburban might actually fit inside in such a way that I could get the door closed. If, in more consequential words, I should buy one.

Earlier that morning I'd passed by my friend Ned's place of business, B&N Motors — though only in the harmless way Americans frequently do. I was window shopping

MEANWHILE

— seeking innocent pleasure from pointless speculation about some sort of commercial offering. (I understand this as a form of abstract thinking made concrete.)

For the past year, I've been mulling the purchase of a used pickup — for bunting purposes, something suitable for off-road, where I often go. Nothing fancy. Yet Ned remembered that I'd once exhibited talking interest in a Suburban. So last Tuesday he walked me outside into the warm, flapping breeze to show me a used Suburban on his lot alongside U.S. Highway 2.

And by dint of one thing leading to another, it had become his view that not only was this '94 pale-blue-and-white Suburban with the original plastic shrink-wrap still encasing the luggage compartment a good buy at plus or minus \$22,000, but also that this vehicle was the very one I "needed."

It was after this impromptu assessment of my need that I went home to my garage and tape measure. I can, of course, cut well beyond the chase here. I did not buy the big blue Suburban that Ned felt fairly certain I needed. It would not fit inside my garage. (I'm not at all sure if I even wanted it or not.) But at 6,000 pounds (2,700 kilograms) unloaded, if it had fit, it might also have broken through the garage-floor concrete and pulled my whole house, me included, in on top of it. I suppose I got lucky not to need it.

Yet since last week, I've been wondering exactly what one wants (or needs) when one desires or owns a massive sport utility vehicle of this sort.

On the one hand, to own one is, for a normal person, an unmistakable gesture reflecting a particular kind of human excess.

A Suburban, at 145.9 cubic feet (4.13 cubic meters) of raw cargo room, no matter how it's fitted out, virtually shouts: "Hey, I'm too big, but I'm real practical! I'm able to do everything for you that your snazzy BMW won't. Or can't. Hold this. Tow that. Ford whatever stream you choose."

A Suburban is for an excessive person who

wants to be perceived as only excessively practical. And it is not so far from there to the rationale — ideal for the excessively acquisitive — that being able to transport whatever you own becomes the best excuse for owning something even more difficult to transport — several sets of bag pipes, for instance, or a pair of blooded Scottish deerbouds.

Of course, this analysis does not apply to the rich, who can own 20 such out-of-all-proportion vehicles, or 20 of anything else they please, and not have it mean something.

I remember, when I was a boy in Arkansas, being taken by my grandfather to Winthrop Rockefeller's farm on Mount Peot Jean and standing in a hot barnyard until Governor Rockefeller himself drove up in a purple, dust-caked, brand-new Cadillac Coupe DeVille, which he happily referred to as his "Jeep" — i.e., his practical car. The rich are different from you and me, if only because they have less to answer for.

In these days of millennial anxiety, it may be hard for those of us who aren't yet rich to know what we really want, as opposed to what we actually need, or as opposed to what the strenuous forces outside ourselves — societal forces, "the culture," my friend Ned — need us to want.

As things currently stand in my life, I have no plans to haul around eight-man construction crews; nor am I, a childless fellow, ever going to be father of a rough 'n' tumble brood of six-footers in need of spread-out room.

I do not delight in getting 14 miles per gallon on the road. I don't wish to generate even dirtier emissions than I generate in my '94 Lincoln Continental. And I'm not heartened to know that in case of an accident, a Suburban is likely to inflict more damage on a lighter vehicle than that vehicle can hope to inflict on me and mine.

Plus, my wife hates Suburbans: they seem patently Republican in character. They offer optional equipment that embarrasses me (a separate rear-seat air-conditioner).

I read not long ago that an automobile manufacturers' spokesman said it was a "comforting perspective" (and a good selling point) that eventually, by driving these behemoths on wheels, we will all be able to get into car crashes and not even feel it. Which is good, I guess; practicality and need expressed as insulation from hands-on experience.

The flip side of this species of millennial angst, I suppose, is dramatized in the novel "Crash," in which the characters all want to get into collisions, and enjoy it when they do.

Finally, it may be just the nature of the millennial moment not to know the difference between want and need, not to know, when great forces collide, if we'd rather feel the shock or not.

The writer is author of the short story collection "Women With Men" and the novel "Independence Day." He contributed this column to The New York Times.

BOOKS

BAUHAUS:

Crucible of Modernism

By Elaine S. Hochman. Illustrated. 371 pages. \$29.95. Fromm International.

Reviewed by Herbert Muschamp

ELAINE S. HOCHMAN'S great theme is the fragility of the liberal imagination. In two fine books, Hochman has examined this subject through the lens of modern German architecture. Her "Architects of Fortune," published in 1989, cast a glaring light on Ludwig Mies van der Rohe's attempts to deal with the culture wars of the Third Reich. In her new book, "Bauhaus: Crucible of Modernism," Hochman chronicles the fluctuating political fortunes of the century's most influential art school.

Founded in 1919 by the architect Walter Gropius, the Bauhaus was originally based in Weimar, and later in Dessau. The school operated for only 14 years, its life span corresponding precisely to that of the Weimar Republic. Like the theater of Brecht or the drawings of George Grosz, the Bauhaus came to stand for the Weimar period's heady creative ferment.

Bauhaus roll call! Count off now! Paul Klee! Lyonel Feininger! Oskar Schlemmer! Wassily Kandinsky! Ludwig Mies van der Rohe! Marcel Breuer! Theo van Doesburg! Josef Albers! Laszlo Moholy-Nagy! These are just a few of the eminent artists who taught, not always happily or for long, at the school.

Painters like Kandinsky and Klee were second-rate citizens here. Though the school's predecessor Institution, the Weimar Art Academy, was known for training in the fine arts, under Gropius the school shifted its focus to architecture, the applied arts, and crafts. In the workshops and studios of Gropius, Mies van der Rohe, Breuer, Mart Stam and Marianne Brandt, the school developed the refined, machine-age aesthetic with which it became synonymous.

Hochman is not primarily concerned,

however, with the art the Bauhaus produced. Rather, she focuses on the political turbulence unleashed by Gropius's utopian ideas. Her emphasis is apt. Unlike the International Style derived from its formative ideas, the Bauhaus was committed as firmly to social as to aesthetic reform. Or, more accurately, Gropius regarded the two as indivisible. He had other things on his mind than well-designed chairs and teapots, handsome as many of those objects turned out to be. His goal was to transform modern life.

Gropius's contemporaries were no more comfortable with the idea of political art than many people are today. A popular "come to the cabaret" myth holds that Weimar Germany was a golden age of creative freedom that ended only when the Nazis stormed into power. The truth is that the era's artistic flowering took place amid opposition that makes our culture wars look like the Pepsi Challenge.

Based on the precedent of the British Arts and Crafts movement, the Bauhaus promoted itself as a model vehicle for educational reform. To us, this objective may seem unexceptionably benign. In Weimar Germany, it was a red flag, literally. Educational reform was as recognizably a part of the Marxist objective as economic redistribution.

So, too, the school's machine aesthetic was unmistakably a symbolic expression of solidarity with industrial workers. The very notion of transforming an academy of fine arts into a crafts school was an act of social leveling. It was recognized and resented as such.

HOCHMAN'S account is factual, not hagiographic. She is better than Joseph McCarthy at pinning down the exact number of Bauhaus students who belonged to the school's Communist cell (15, about 10 percent of the student body); she examined the banners they designed for street demonstrations, and records Gropius's ambivalent feelings toward their political activities. She doc-

uments the efforts of government officials to intervene in the school's policies and describes the intricate ruses Gropius devised to forestall and placate them.

She also details the constant upbraids within the school itself. Kandinsky and other artists opposed Gropius's plans to market the products of the school's workshops. Students and faculty members fought over the profits from these sales. Campaigns were waged against designers like van Doesburg, who preferred abstraction to technology. Student newsletters ridiculed Gropius's denials that he was creating a Bauhaus style.

It's chilling, of course, to follow this account of idealistic artists, knowing the fate that awaits them: In April 1933, three months after Hitler became chancellor, the Gestapo moved in and shut the school down.

WHAT is the legacy of the Bauhaus today? Hochman's only major stumble occurs at the end of the book, when she tries to answer this question. Somewhat lamely, she praises Richard Meier and Frank Gehry for "continuing to refine, re-examine and reinterpret the modernism the Bauhaus came to exemplify." It's disappointing, after reading a book that goes so far toward liberating the Bauhaus from formalist preoccupations, to find its author limiting the school's contribution to matters of form.

If Gropius left one enduring idea, it is that artists should not distance themselves from their times. They should leap into the fray and see what good they can accomplish there.

To paraphrase Gropius, modern Apollos want to make it in the marketplace. An artist's integrity stands to be strengthened, not compromised, by reckoning with the social reality. This belief may be every bit as utopian as the socialist dream of remaking the world through art. And why not?

Herbert Muschamp is on the staff of The New York Times.

BRIDGE

By Alan Truscott

WHETHER computers can play bridge effectively has long been debated. At the American Contract Bridge League's Summer Nationals in Albuquerque, New Mexico, computers were tested against human opponents and one another.

There were three programs from the United States: Bridge Baron 7; Meadowlark Bridge; and GIB, together with Micro Bridge 8 from Japan and Q Plus Bridge from Germany. Q Plus, designed by Johannes Leber, defeated the others in an Imp Pairs contest, but lost a final play-off to Tom Throop's Bridge Baron 7 by 20 imps.

The programs can be asked post-mortem questions: "What would you have done if...?" Q Plus was given a hand involving the suit combination A-3-2 in the dummy with K-J-10 in the closed hand. It made the correct play of the jack and persuaded a human to cover with the queen. Asked what it would have done if the opponent had played low, it said it would have played the ace and finessed on the way back.

On the diagramed deal from the Imp Pairs, Q Plus and GIB both reached three no-trump. In defense, GIB played passively, leading a heart and continuing the suit after winning the diamond ace. Q Plus took three tricks in hearts, diamonds and clubs to make three no-trump.

When Q Plus defended, the lead was the spade deuce. Dummy played low and East made an expert play: the spade six. The contract was now unmakeable, for the defense took three spades, a diamond and a club.

The reasoning behind East's third-hand-low play is advanced. West can be assumed to have a four-card suit, and South must have at least one top honor. Without one, he could not have enough strength for his opening. If South has a doubleton king, the low play is essential. If South has a doubleton ace it will make no difference. In that case, it must be ace-eight; with another doubleton ace, the nine would have been played from the dummy.

NORTH
♠ J 8 5
♥ 7 6 3
♦ K 8 4
♣ A Q 10 4

WEST
♠ A 10 4 2
♥ 8 5
♦ 8 7 6 5
♣ 8 7 3

EAST
♠ Q 7 6 3
♥ J 10 9 4
♦ A 2
♣ K 6 2

SOUTH (D)

♠ K 3
♥ A Q K 2
♦ Q J 10 3
♣ 7 8 4

North and South were vulnerable.

The bidding:
South West North East
1 N.T. Pass 3 N.T. Pass
Pass Pass
West led the spade two.

LETTERS TO THE EDITOR

The Kerameikos Site

Regarding the Aug. 12 report "Archaeologists Shudder at Athens Metro Project":

As field director of the Kerameikos excavation, I would like to comment on a few points.

The Kerameikos site is full of grave precincts of noble Athenian families of the classical period, surrounded by their original walls. Nowhere else can the history and development of a Greek cemetery be studied so easily.

For their protection, many sculptures have been transferred from the site to the Kerameikos Museum, but not all. Remaining originals are the famous bull from the precinct of Dionysios from Kolymos and the marble relief showing Demetria and Pamphile.

Apart from the sculptures, all stelae standing on the site, with inscriptions of utmost importance, are original. Excavations brought to light a major part of the defensive system of Athens created in the fifth century B.C. with the city walls, two gates, private houses and workshops. All this needs to be protected so that future generations, just like ourselves, can profit from Greek history.

What we fear for the Kerameikos site has happened at other places in Athens during Metro tunnel works. In May 1996, part of the Third Century A.D. city wall situated in the National Park collapsed while a tunnel was being built. In September 1996, ground above the tunnel in Nikis Street next to Syntagma Square collapsed.

JUTTA STROSZECK, Athens.

Refugees in Canada

Regarding the Aug. 11 report "Canada Tries to Balance Immigrants and Liberties":

The implicit suggestion that Canada may be harboring large numbers of potential terrorists cannot be supported.

Of the hundreds of thousands of refugees Canada has accepted in the last couple of decades, the vast majority are law-abiding and making their best efforts to manage in their new homeland.

The fact that many refugees may hold political beliefs in opposition to the government in their country of origin is not surprising. A "well-founded fear of persecution for reasons of political opinion" is a ground for granting refugee status under the 1951 Convention Relating to the Status of Refugees.

Those who wish to take their political beliefs and activism into the realm of criminal activity or terrorism will, if the system works, be identified and dealt with under the relevant laws. Such are the challenges of maintaining the civil liberties of all persons in our form of democracy.

BRIAN GORLICK, New Delhi.

The U.S. and Vietnam

In 1995, at the opening of the U.S. Embassy in Hanoi, the American business community was heartened to hear from Secretary of State Warren Christopher that economic normalization was "just around the corner." Two years on, and billions of dollars of lost contracts later, most in the American business community find themselves

essentially in the same position — stalled and handicapped by the absence of a proactive U.S. policy to bury the past and forge normal relations. There has been progress, but at the rate of movement it could be several more years before complete normalization is achieved.

Vietnam is not a perfect place, but it is a vibrant and exciting country, inexorably linked to the United States. It is deserving of a normal relationship with the United States.

The appointment of Ambassador Pete Peterson, a former prisoner of war, should set an example of forgiveness for all Americans. MIA matters are being settled by the Joint Task Force. The search should continue.

Establishing a normal trading relationship will go a long way toward putting behind us the wounds of war. A waiver of the Jackson-Vanik amendment to allow U.S. companies to compete for market share is a good beginning. In parallel, U.S. trade negotiators can continue their mission to reach a fair and equitable trade agreement with Vietnam. This should not be rushed.

In the meantime, let us take other steps to move the relationship forward. This will be in the interests of both countries and will help us move toward a future of shared interests in regional prosperity and stability.

GREG CRAFT, Hanoi.

A Partial Remedy

Regarding "Americans Abroad to Get a Tax Break" (July 31):

The recognition by Congress of the need to index the foreign-earned income exclusion to inflation is great news and the move is long overdue. The Association of American Resident Overseas has worked for years trying to convince Congress of the inequity of double taxation.

In fact, if the \$70,000 exclusion had been indexed when it was first set, more than a decade ago, it would now be \$100,000. Raising it gradually to \$80,000 is a partial remedy for this discrimination against Americans overseas. But it is not, as you call it in your headline, a "tax break."

GREGORY GOOD, JOHN DAVIDSON, STEPHANIE SIMONARD, ROBERTA BEARDSLEY, Suresnes, France.

The writers are members of the board of the Association of Americans Resident Overseas.

Children at Risk

"Germany's roads are the deadliest in Western Europe for children," according to a Travel Update item in your Aug. 15 issue. At the risk of seeming an apologist for German motorists: Young children in Germany are out of school by noon. Many roam the streets on bicycles. Other countries keep their children longer in the safety of the classroom.

KARL RAAB, Strasbourg.

Just Make It Good

Regarding "Heartland to Washington, You Just Don't Motter" (Opinion, July 30), by James K. Glassman:

CROSSWORD

ACROSS

- 1 Telepathy and clairvoyance, e.g.
6 Diamond M.V.P., 1960-61
10 "Star Trek" regular Walter

- 18 Courtroom alibi, perhaps
14 Issuing, as from a source
16 "A Christmas Story" co-star Dillon

- 17 Stormy disciplined

- 18 Flustered

- 19 It's done in cages

- 21 Priest, at times

- 22 Some French wines, informally

- 23 Mythological trio

- 24 Species between lines, in printing

- 25 C.O.'s partner

- 26 Spanish missionary Bartolome de

- 27 "— lugol"

- 28 Hershey bar

- 29 Bank figures

- 30 They help move calves

- 31 Massachusetts city, birthplace of N. C. Wyeth

- 32 Back up: Ver.

- 33 Superlatively sarcastic

- 34 Classifies

- 35 Least vacillating

- 36 Not vacillating about

- 37 Barbed

- 38 Actor Louis who starred in "Julius Caesar," 1953

- 39 After a lengthy delay

- 40 A sponge may get this

- 41 About 180 square miles of Europe

- 42 Pooh-pooh

- 43 Most sound up

- 44 Predicate

- 45 Part of the Louisiana Purchase

- 46 Imports

- 47 "Chicago Hope" extras, tentatively

- 48 Old Testament under

- 49 Beach, Fla.

- 50 Potential White House hopeful

- 51 I'll keep you going

- 52 Rome's choir

- 53 Old Testament under

- 54 Beach, Fla.

- 55 Potential White House hopeful

- 56 I'll keep you going

- 57 Rome's choir

- 58 Old Testament under

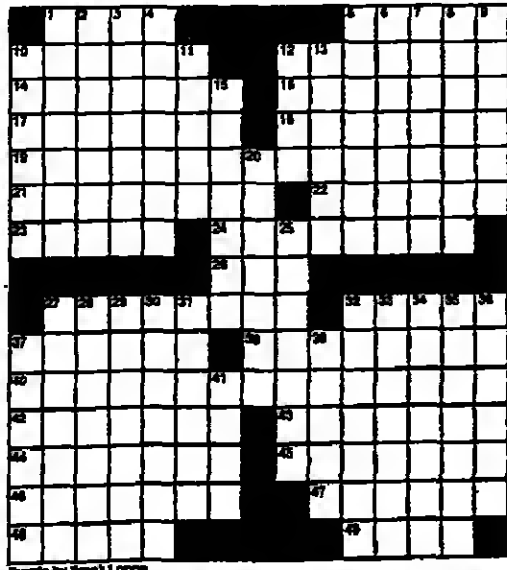
- 59 Beach, Fla.

- 60 Potential White House hopeful

- 61 I'll keep you going

- 62 Rome's choir

- 63 Old Testament under



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Solution to Puzzle of Aug. 21

CARS ACT ESCAPE
GOES NOR SPARED
NOSTALGIC TURTLE
GHI HASEVERBEE
RAS SCI ALTO
ESTE INAL NAGS
STATED DEEP NET
SANDL PUT GOTTA
ENC FLAT ASSISI
SLEEP ARSON SPAR
RENE RIA ORC
UPTOACRITIC LOA
CHANGE STELTUS
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Moscow Cleans Up Its Act

850th Anniversary Includes \$50 Million Face-Lift

By Alessandra Stanley
New York Times Service

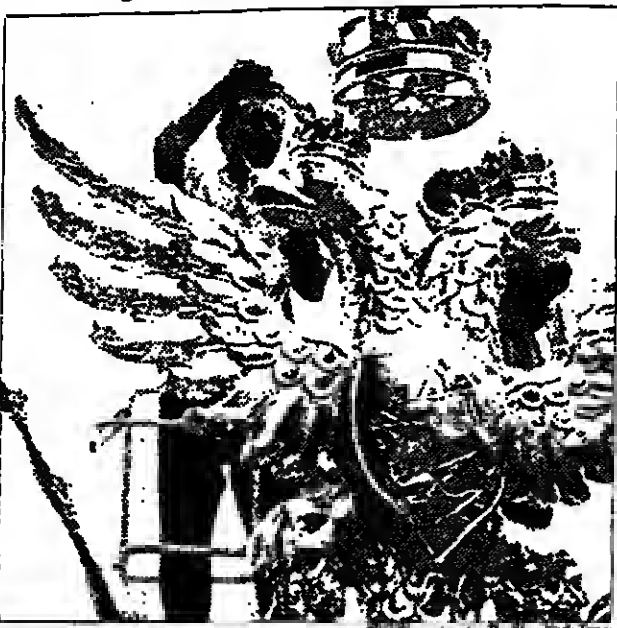
MOSCOW — Visitors are often pleasantly surprised by their first glimpse of downtown Moscow. Outer districts are still debauched by huge, bleak concrete high-rise apartments that epitomize Soviet planning. But the city center is a latticework of curving, narrow streets, pastel 18th- and 19th-century mansions, stately museums, gold-domed Russian Orthodox churches and, starting in the last few years, gleaming, modern offices.

There are parks, fountains, tree-lined boulevards and the always startling St. Basil's Cathedral on Red Square, that madly colorful, Byzantine swirl of onion domes and towers that instantly gives visitors a giddy feeling that Western civilization ends here. And this fall, downtown Moscow will have even more to offer. The Russian capital celebrates its 850th anniversary in September with a three-day orgy of concerts, television specials, black-tie galas, parades, fireworks, regattas, folk festivals, sports events and street fairs that promises to combine capitalist excess with some of the regimented boosterism of the 1980 Moscow Olympics.

CREATING MOSCOWLAND

The city's popular, iron-willed mayor, Yuri Luzhkov, wants to show Russians and the world that he can create Western-style prosperity, with a filip of old-fashioned Soviet order and discipline. Over the past 18 months, the capital has been sandblasted, scrubbed, repaved, repainted, replanted and rebuilt to sparkle like a shining theme park reinvention of itself — Moscowland.

By Sept. 5, prostitutes, drunks, beggars and other undesirables will have been dragged off subways and street corners and deported beyond the city limits. So far this year, crime is down 20 percent, and Luzhkov has bullied all shop owners in the city center to clean their storefronts and put up red, blue and white anniversary displays. Cleaning crews will be scrubbing cement pavements until they sparkle. To show he can even browbeat nature, Luzhkov has ordered that on each day of the anniversary, special military planes seed



The gilded Russian coat of arms makes a comeback.

the clouds above Moscow to avert rain. Even with all the special anniversary events, the real windfall for foreign tourists is a chance to see the city after a \$50 million face-lift.

Those who hate crowds and unfriendly police officers telling them to move along may prefer to wait to take the city's pulse until after the closing ceremony on Sept. 7. By then, tourists will be able to stroll through the Kremlin gardens and see fountains gushing, flower beds packed with gladioli and roses, and pathways swept of the usual litter and bottle shards.

The opulent, neo-classical facade of the Bolshoi has been restored; the soaring Christ the Savior Cathedral, razed by Stalin in 1931, has been rebuilt, as have the Resurrection Gates, the czars' ceremonial entrance to Red Square. The Tretyakov Art Gallery, closed for seven years for repairs, reopened two years ago with marble floors, a museum shop and a cafeteria as well as a vast collection of Russian art, from medieval icons to 19th-century portraits.

HISTORY is the celebration's main theme, but the artistic legacy of the writers Anton Chekhov and Alexander Pushkin, the grandeur of the czars and the glory of the Russian Orthodox Church will take precedence over the more recent past.

Most of the obvious symbols of Soviet power, the grandiose monuments to Lenin and Marx, have been pulled

down. (Though not all: In the middle of Otkryab'skaya Square, a looming statue of Lenin still glares accusingly at the future — in this case, a neo-lit American diner nestled in a prime location at his feet.)

The Cold War atmosphere of fear has dried up now and, particularly during the anniversary, Russia's totalitarian past will be airbrushed out of promotional brochures. For those curious about what life was like behind the Iron Curtain, Lenin's Tomb in Red Square is the simplest way to experience a frisson.

INSIDE THE TOMB Russians no longer line up for hours in front of the mausoleum to pay their respects to the father of the Bolshevik Revolution. Fierce-looking honor guards no longer goose-step in front of the tomb. But tourists are still escorted single file through the huge granite mausoleum into the room where Lenin's body lies, embalmed with a concoction that remains a state secret. Cameras are confiscated at the door. Visitors are forbidden to speak — guards angrily hiss even a whispered comment. Inside the glowing, red-lit room, the sight of Lenin in a glass case is awesome and somewhat grotesque.

A key factor in the collapse of communism sits right across Red Square in the sprawling 19th-century department store GUM, which after 70 years of neglect is now bustling with shoppers in a Galerie Lafayette store, an Esprit boutique and other pavilions of the bourgeois decadence that the Bolsheviks were singularly unable to rout.

By September, a vast underground shopping and office complex beneath Manezh Square, next to the Kremlin, is expected to open as a testament to the new Russian wealth. So is the fancy new American-style Marriott Grand, a 390-room hotel. It is managed by Marriott, but owned by Russian companies. Like the other nine luxury hotels in the capital, it is not cheap: Rooms start at \$300 a night.

But there is more to modern Moscow than mammon. The city has more than 400 churches. One of the most interesting is Novodevichy, next to a small, lovely park on the Moscow River. Founded as a convent in the early 16th century, Novodevichy was partly modeled on the Kremlin, and its fortified walls, crenellated towers and gold cupolas lend it an exotic look — spiritual and menacing at the same time.

The grounds include a cemetery where many famous Russians are buried. The graves of Chekhov, the writer Mikhail Bulgakov, Stalin's unfortunate second wife Nadezhda Alliluyeva, and Nikita Khrushchev — who was removed in a coup and denied a burial on Red Square — can be visited.

But the park, which curves pleasantly around a large green pond, is a haven from history, a place where generations of ordinary Russians have spent their Sundays walking their dogs or playing with their children. Foreign correspondents would sometimes meet dissidents there, hoping that the trees were not bugged. Now, the paths have been taken over by joggers and men sipping their vodka in the fresh air.

AS for getting around town, many of Moscow's grandiose metro stations are as awe-inspiring now as when they were built in the '30s. The Mayakovskaya station, with soaring marble pillars and arches and stained glass ceilings, looks like a palace. Floschad Revolutsii (Revolution Square), opened in 1938, is equally grand and lined with marble niches bearing bronze statues representing the heroes of the New Socialist Order — soldiers, athletes, factory workers and farmers.

Heroes of the New Capitalist Order can be seen in the flesh at any of Moscow's 70 casinos, where businessmen, mobsters, models and scantily clad ladies of the night gather around roulette wheels and blackjack tables, reveling in Russia's new lawlessness. Casinos and nightclubs are not highlighted as part of the official anniversary, but that is where much of the money that helped transform Moscow into a modern 20th-century city gets thrown around.



The Cathedral of Christ the Savior, demolished under Stalin, is rising again as Moscow undergoes face-lift.

Painting the Town, Well, Not Red

By Marina Lakhman
New York Times Service

MOSCOW — Awake after a deep Soviet slumber, with renewed appreciation of its spiritual history and commercial promise, Moscow will try to show itself off next month as it has never been seen before: as a modern European city.

The Russian capital is marking the 850th anniversary of its founding with a celebration Sept. 5 to 7 that will include a concert by Luciano Pavarotti in Red Square, an outdoor multimedia extravaganza by the French performer-composer Jean-Michel Jarre, a commissioned work by the Bolshoi Ballet and a parade along freshly paved streets.

The celebration, with the theme "Moscow: Yesterday, Today and Tomorrow," will evoke moments in the city's history from its founding — traditionally credited to Prince Yuri Dolgoruky of Suzdal in 1147 — to its current membership in the community of democratic European states, and will provide a glimpse of what the festival's organizers see as the city's bright future.

Officials are expecting 30,000 tourists in the capital of Russia along with 10,000 invited guests from around the world, including the mayors of major cities. (New York Mayor Rudolph Giuliani is not expected, although Vice President Gore may drop in.) For a party that has been more than a year and a half in the making, the celebration's highlights are open to all tourists and residents of Moscow, although space is limited, particularly for the opening and closing ceremonies.

DRAGONS ON RED SQUARE

The opening ceremony on Sept. 5 will be at Tverskaya Square near the monument to the city's founder (who was nicknamed Dolgoruky — "long-handed" — because of his conquest of vast Russian lands). Later that day at Cathedral Square near the Kremlin, the Bolshoi Theater will perform excerpts of operas that depict Russian history, including Mus-

sorgsky's "Boris Godunov," based on the drama by Pushkin, and Borodin's "Prince Igor." After that, the filmmaker Andrei Konchalovsky will direct "Our Ancient Capital." The performance, on Red Square, will not include any historic figures, instead choosing the Russian "Ivan" and "Ivanushka" to represent the Russian people as they encounter enemies in the form of dragons and snakes that attempt to destroy their city and break the people's spirit.

Moscow's spiritual history has been buried beneath communism for much of the last 80 years. Today, with the city constantly under construction, the most common sight is workers restoring Russian Orthodox churches and cathedrals.

THE grandest of these projects is the Cathedral of Christ the Savior. Built by the czars in the 19th century to commemorate Russia's victory over Napoleon, the cathedral was demolished by Stalin in 1931 and stood in ruins as a symbol of communism's victory over religion. Two years ago on the Russian Orthodox Christmas, Jan. 7, restoration of the cathedral began with Moscow's 850th anniversary as the target finishing date for its facade.

Although work on the interior will continue into the next century, the gleaming gold dome is already finished, and the cathedral along the Moscow River will serve as the backdrop for 3,000 singers and musicians who will perform religious and folk music. Organizers say the two-hour spectacle will recall the czarist tradition of staging concerts next to the cathedral.

The celebration of contemporary Moscow will spill into the recently refurbished streets as a parade with large floats showcases workers, students and a city that serves as the world's gateway to Russia. The parade will also feature floats from Russia's 88 republics, regions and territories, and commercial ventures, from Volvo to Samsung, that are both domestic and foreign — indicating a country eager to welcome the West's products and investments.

In 1947, the city marked its 800th

anniversary with a parade showcasing the achievements of communism. Fifty years later, the parade will meander for 2-1/2 half miles (4 kilometers) from City Hall on Tverskaya Street to the popular shopping street of Novy Arbat. And while the anniversary in 1947 celebrated Soviet artists who were deemed acceptable to the state, Russia's own performers take a back seat 50 years later as Moscow shows itself off as a city that can attract internationally known artists.

For Day Two of the celebration, Jarre has conceived an elaborate laser show set to new-age music outside the main building of Moscow State University, a 1953 structure that embodies the architecture of Soviet realism (it was duplicated six times because Stalin liked it so much).

The two-hour show will touch on Russian history, including the battle with Napoleon, the Bolshevik Revolution and the cultural and political upheavals that began under Mikhail Gorbachev. It will also evoke Russia's achievements in sports, science and the arts, including space conquests beginning with Yuri Gagarin. Although Jarre had hoped that the Russian cellist and composer Mstislav Rostropovich would take part, he is unlikely to appear because of a previously scheduled engagement.

PAVAROTTI AND PUGACHEVA Earlier in the day, groups from Russia's neighbors will perform in Red Square in a concert titled "The Slavic World Greets Moscow." The magician David Copperfield will also perform.

The next day, Pavarotti takes the stage in Red Square for a 90-minute performance, with a 70-member Russian orchestra, that is expected to attract a million people. For the closing ceremony at Luzhniki Stadium, stars like the Russian pop queen Alla Pugacheva, Yosef Kobzon (the "Russian Frank Sinatra") and Oleg Gazmanov are expected to sing renditions of the many songs that have been written about Moscow.

Officials say every art form will also be represented, including films about Moscow and museum exhibitions dedicated to the city's history.



The ornate GUM department store getting an anniversary touch-up.

MOVIE GUIDE

CONSPIRACY THEORY

Directed by Richard Donner. U.S. If you believe the CIA killed Marilyn Monroe, then the lumbering "Conspiracy Theory" will make those itty-bitty transmitters in your teeth tingle. Others will be put off by this all too glib political thriller about a New York cabbie wormed by selective amnesia, psychedelic flashbacks and the awful belief that he is the puppet of some sinister, government cabal. Mel Gibson, who is reunited with director Richard Donner of the superior "Lethal Weapon" series, builds on the role he played in the buddy action pictures. Only in this case, he's not just a little bent from busting bad guys, he's clearly in enormous psychic pain for all the laughs his paranoid obsessions bring. By day, the reckless cabbie Jerry Fletcher shares his outlandish suspicions in regard to the Vatican, Freemasons, fluoridated water and Oliver Stone's secret involvement with George Bush with his hapless, most often terrified passengers. At night, he combs the newspapers for evidence of conspiracies, which he exposes in his own newsletter, Conspiracy Theory. In addition to the paper's five subscribers, Jerry confides in Alice Sutton (Julia Roberts), a sensible attorney with the Justice Department who describes him as "a restraining order waiting to happen." Alice, who has repeatedly thrown him out of her office, invariably pooch-pooches his amusing, seemingly implausible predictions. All that changes, however, when Jerry is kidnapped, drugged and tortured by the cold-blooded Dr. Jonas (Patrick Stewart), a government psychiatrist who seems to believe that Jerry knows something and is determined to extract it from the terrified taxi

driver even if he has to drive the audience — which is likewise bombarded with strobe lights — insane in the process. Brian Koppelman's screenplay is intriguing, often funny, but it drags on too long. With its many knotty connections and complex exposition, the movie is definitely something of a muddle, but for that matter so are most conspiracy theories. On the other hand, it does air a pervasive and not unfounded public preoccupation with government accountability. The CIA's illegal experiments with LSD, the Iran-contra affair, campaign finance money, they're all part of the film's subtext, which happens to be its greatest resource. It never burts to be reminded that just because you're paranoid, it doesn't mean they're not out to get you. (Rita Kempley, WP)

KISS ME GUIDO

Directed by Tony Vitale. U.S. How's this for a wacky movie premise? New York apartment-hunter answers ad from "GWM seeking same to share fully furnished apartment." Only our hero thinks that "GWM" means "Guy With Money" and not "Gay White Male." On top of that, the clueless one just happens to be a homophobic Italian stallion from the Bronx. Just imagine the comic possibilities for misunderstanding as the naive outsider encounters the sophisticated downtown world of Manhattan's gay enclaves. Sadly, none of these possibilities is realized in "Kiss Me Guido," an unfunny comedy by Tony Vitale that is enacted not by fleshed-out characters but by hackneyed stereotypes. There are so many sexual and ethnic caricatures, it's hard to know which is most offensive. (Michael O'Sullivan, WP)

MARQUISE

Directed by Vera Belmont. France. Time to rise and shine in Louis XIV's court: The Sun King is on his throne, or rather, his chamber pot, surrounded by the usual cast of characters — coquettes, courtiers, jesters and those who have come to curry favor, such as Moliere; Lully lurks in the wings. Racine is out by the fountains with Marquise, the star of the 1660s. Sophie Marceau plays Marquise, who started out as a dancing girl with oomph and ambition — she WILL play "Andromaque" — and sleeps her way to the top. As long as it's a vehicle for Marceau, this period romp is fun, but when it tries getting serious, it's positively silly. As several characters keep reminding Moliere, "You're good at comedy, but don't touch tragedy." Bernard Giraud acts Moliere, simpering, kowtowing, like a besotted Precieuse Ridicule. Lambert Wilson comes off better as Racine, too much of an eager beaver to be credible, but such a good profile. As for Thierry Lhermieux's Louis, he can barely keep a straight face as the constipated monarch. Vera Belmont reportedly had a nightmare shoot with her actress, which doesn't transpire on screen, except that Marceau runs away with the movie. She is not the Adjani of our day, but rather the Bardot, all animal spirit and sexy petulance, until she is crossed. The actress, who has just about lost her puppy fat, cannot deliver anything less — or more — than healthy good looks: unhappy, undone by a rival, she crumples, which seems to be the theme of this movie. She's another one who can't hack it as a tragedienne. (Joan Dupont, HT)



Roberts and Gibson in "Conspiracy Theory."

LEISURE

DINING

Poor Service Mars Belle Epoque Brasserie

By Patricia Wells
International Herald Tribune

PARIS — There are institutions, like Brasserie Lipp, that people love to hate. And then there are those, like Bofinger, that one loves to love. But sometimes, love gets in the way.

I've stopped counting how many times, over the years, I've returned to Bofinger, a glistening movie set of a Belle Epoque brasserie imbued with carefree turn-of-the-century joie de vivre and the modern sounds of good times. Almost always, I left saying I would never return. No matter how lovely, no matter how historical, the slapdash service and slapdash food were always too much.

I don't think this is the way Frederic Bofinger thought it should be when, as a young refugee from Alsace-Lorraine, he opened Paris's first brasserie on Rue de la Bastille in 1864. He was the first to serve freshly brewed beer on tap — "à la pompe" — and kept the restaurant open 24 hours a day. City folks came to down gratified onion soup and platters of sausages and sauerkraut, known as *choucroute*.

Over the years, the menu remained constant, generations of celebrated diners from Maurice Chevalier to the gastronome Curnonsky came and went, while a revolving door of owners embellished and enlarged. What we see today — the sparkling glass roof, the voluptuous ceramics, the frivolous tulip-shaped lamps, the undulating wrought iron staircase — is pure 1919, preserved and restored in 1982.

So enter Jean-Paul Bucher, brasserie king, the man who transformed Brasserie Flo during the 1968 Paris riots and went on to create a worldwide empire of brasseries and food emporiums. A year ago, he took over this 134-year-old institution, vowing to "change nothing."

A few recent return visits — one in the company of Bucher himself and another

as a civilian diner stuffed in an Anglophone corner on a sweltering Paris night — suggest that the cuisine is on its way out of a slump.

Suddenly, the food appears clean, sparkling, original (but not too much so) and satisfying. Fresh sardines are marinated ever so lightly, then teamed up with a salad of *legumes croquants* that I would call deliciously updated cole slaw, adapted by a French palate. Minute bits of cabbage and carrots are bathed in light sauce and molded in a very French timbale.

Daily specials — such as *calamars* (squid) sautéed with tomatoes and peppers, or cubes of veal sautéed and bathed in a light stock — arrive fresh, well-seasoned and convincing. The menu justifiably keeps such classics as Baltic herring in cream and dill, but also offers a refreshing, richly flavored cold tomato soup dotted with cubes of monkfish and showered with fresh leaves of basil.

The compact wine list offers quite a few worthy wines at less than 150 francs (\$24), including Guigal's 1994 red Cotes du Rhone at 104 francs, his Tavel at 121 francs, and Faiveley's white Burgundy, the 1993 Montagne, at 148 francs.

Service is another story. On a given night, you may be ushered to your table by one waiter, handed the menu by another, have your order taken by a third, and be served by a fourth.

THIS means that when you wave your hand, put in a second request for an appetizer, or simply flail your arms in impatient rage, no one is responsible — no one is in charge.

Democracy is also not a word to be found in Bofinger's dictionary. Neighboring diners who arrive after you may be served well before you. Some diners are given olives with their appetizer, some a bowl of pretzels. Some tables are offered petits fours with coffee, others are not.

Small beer, you say? Restaurateurs think diners don't notice what's going on at the next table. But with so much time on one's hands waiting for results from the staff, you bet they do.

Bofinger, 5 Rue de la Bastille, Paris 4; tel: 01-42-72-87-82; fax: 01-42-72-97-68. Open daily until 1 A.M. Credit cards: American Express, Diners Club, Visa. 169-franc menu including service and half-bottle of wine. A la carte, 230 francs, including service but not wine.

Cambodia Coup Flattens the Tourist Trade

By Seth Mydans
New York Times Service

PHNOM PENH — "It's zero," said Nongnuj Dobs, Phnom Penh office manager for the East-West travel agency, describing tourism to Cambodia after last month's coup.

"It's nil," said Meng Hieng, managing director of the Pich Tourist Co. Chenda Sophea Sok, undersecretary of state in the Ministry of Tourism, agreed. "Those images of evacuation planes killed us, killed the industry," he said.

Since political tensions erupted in fighting in early July, almost no one is visiting Cambodia for pleasure. Although both the fighting and the evacuation flights have ended, it could be months before the industry recovers.

Hotels are nearly empty. Airlines have cut back on flights. Restaurants and nightclubs have fallen dark, and casinos have closed. Tour operators, drivers,

waiters, chambermaids, vendors, guides, hawkers and ladies of the evening are mostly out of work. The National Museum in Phnom Penh opens its doors each morning, stands empty all day, then closes on schedule in the evening. Almost no one travels to visit the great temples at Angkor Wat, where gunfire could be heard in mid-July.

Political instability and, in remote areas, persistent banditry have always been part of the landscape for visitors. But the country's small tourism industry had begun to grow in recent years.

A QUESTION OF SECURITY

Since the coup, security is in question again. The fighting of early July has ended in the capital, and Angkor Wat appears secure, too. But the possibility of renewed fighting remains in the country's western and northern regions. The most recent U.S. State Department warning, issued Aug. 8, recommends

that U.S. citizens defer nonessential travel to Cambodia and that those who must go not travel outside Phnom Penh, specifically mentioning Siem Reap province, site of Angkor Wat.

Chenda said he was optimistic about the future. "I don't worry, because by the end of the year everything will be normal," he said. "Even better than before."

But tourism may not recover so soon. "I think it is O.K. to go to Angkor Wat," Dobs said. "It is very quiet now. But as a tour operator we cannot guarantee that nothing will happen."

Even though factional fighting has ended, she said, the possibility of banditry seems to have grown. "My father wants to go there," she said. "I recommended to him not to carry money, not to carry anything valuable. Even a small camera — if someone wants to take it, just give it to them." This advice is much the same as always. Cambodia is a destination for the adventurous, and much of its attractiveness

has been its underdevelopment. But it is desperately in need of commerce; even the \$20 visa fees paid by tourists have been a significant contribution.

The shock of the coup, which has set back foreign aid and investment across the board, has been a severe blow to the economy. In an economy as primitive as this one — where most of the population still toils in rice fields — the tourism industry was disproportionately significant. Until the coup it accounted for about one-third of foreign investment.

CHENDA said it had been growing fast, from a very small base. In 1993, he said, just 90,000 tourist visas were issued. By last year the number had risen to 220,000.

"We were expecting an increase of 10 to 15 percent in our business this year," Meng Hieng said. "Unfortunately, Cambodia has this kind of fighting, and this has caused us a good deal of annoyance."

ARTS GUIDE

BRITAIN

LONDON
National Gallery, tel: (171) 747-2885, open daily. Continuing/To Sept. 28: "Seurat and the Bathers." Early works by the French painter (1859-1891).
Royal Academy of Arts, tel: (171) 439-7438, open daily. Continuing/To Sept. 28: "Hiroshige: Images of Mist, Rain, Moon and Snow."
Tate Gallery, tel: (171) 887-8000, open daily. Continuing/To Nov. 30: "Mondrian: Nature to Abstraction." 80 works by the Dutch painter.

DENMARK

COPENHAGEN
Ordrupgaard, tel: 39-84-11-83, closed Mondays. To Oct. 19: "Vilhelm Hammershøi." A selection of paintings by the Danish artist (1864-1916). Best known for his interiors, Hammershøi is also a figurative, architectural and landscape painter.

FRANCE

PARIS
Musée des Beaux-Arts, tel: 03-80-74-53-59, closed Tuesdays. Continuing/To Oct. 13: "1900-1938: Prague, Capital Secrete des Avant-Gardes." 300 paintings, sculptures, photographs, objects and architectural drawings, from An Nouveau to Surrealism. Mucha, Kupka, Munch and Picasso are among the artists represented.

RUEN-MALMAISON
Musée National du Château de Malmaison, tel: 01-41-29-05-55, closed Tuesdays. To Oct. 6: "L'Impératrice Joséphine et les Sciences Naturelles." Documents the interest of Josephine de Beauharnais, Napoleon's first wife, for botany and zoology. Features Redoute's paintings of roses, Lapeur's drawings of animals, and contemporary views of La Malmaison on where Josephine lived after her divorce from Napoleon in 1809.

GERMANY

BREMEN
Neues Museum Weserburg, tel: (421) 598-390, closed Mondays. To Sept. 7: "Arte Povera." From the Goetz collection in Munich, a selection of pictures, sculptures and installations made from commonly available materials, as well as photographs by the artists of the Arte Povera movement of the late 1960s. Works by Anselmo, Pascoli, Fabro, Kounellis and Pistoletto.

FRANKFURT

FRANKFURT
Fotografie Forum Frankfurt, tel: 089-29-17-26, closed Mondays. To Sept. 21: "Benedict J. Fernandez: I Am a Man." Martin Luther King Jr. and the protest marches of the 1960s are the main themes of this show of 50 black-and-white photographs by Fernandez (born

1936). Inspired by King's words "I am a Man," the artist pictures not the masses but the individual, his gestures, and his expressions of rage or happiness.

ITALY

FLORENCE
Forte di Belvedere, tel: (55) 234-24-25. Continuing/To Sept. 30: "Philip King." Located high above Florence, the Fort offers its interior galleries and its terraces to more than 90 sculptures, drawings and prints by the British sculptor (born 1934).

ROME
Galleria Nazionale d'Arte Moderna, tel: (6) 32-29-81, closed Mondays. To Sept. 28: "I Cepelloni della Collezione Estorick." This foreign collection of 20th-century Italian art includes works by the Surrealist artist Giorgio de Chirico (1898-1974), and by Umberto Boccioni (1892-1916) and Carlo Carrà (1897-1966), both members of the Futurist movement.

NETHERLANDS

AMSTERDAM
Rijksmuseum, tel: (20) 673-2121, open daily. To Nov. 9: "Whistler en Holland." Following several visits to The Netherlands after 1863, the American painter (1834-1903) produced etchings of Amsterdam, and watercolors of Zeeland and Dordrecht. Some of the works of Whistler's Dutch followers are also featured in the exhibition.

ROTTERDAM
Kunsthall, tel: (10) 440-031, closed Mondays. Continuing/To Oct. 5: "Monet, van Gogh, Picasso and Others."

SPAIN

MADRID
Museo de la Ciudad, tel: (1) 589-6599, closed Mondays. To Aug. 31: "Solo: Arte Conceptual Americano." A survey of conceptual art that brings together 150 paintings, sculptures, videos and photographs by more than 30 artists living in the United States. Features works by Pilar Coero, Robert Glenn Ketchum and Hiromitsu Morimoto.

SWITZERLAND

GENEVA
Musée d'Art et d'Histoire, tel: (22) 418-2600, closed Mondays. Continuing/To Sept. 28: "L'Art d'Imiter: Falsifications, Manipulations, Pastiches." A selection of 30 pastiches of paintings of the Italian Quattrocento that were created at the turn of the century.

LAUSANNE
Fondation de l'Hermitage, tel: (21) 320-50-01, closed Mondays. Continuing/To Oct. 5: "Charles Camoin, 1879-1965: Sous le Ciel de Cézanne et du Fauvisme." More than 100 paintings, pastels and drawings showing the French painter's contribution to the development of Cubism and abstraction.

tion. Landscapes, portraits and still lifes are on show.

UNITED STATES

FORT WORTH
Kimbell Art Museum, tel: (817) 332-8451, closed Mondays. Continuing/To Sept. 7: "Monet and the Mediterranean." 70 works created by Monet during his several trips to the French and Italian Riviera between 1883 and 1908.

NEW YORK
Museum of Modern Art, tel: (212) 708-9400, closed Wednesdays. To Sept. 2: "Paris: The 1930s." Prints created in the 1930s by Bernard Meurice, Denis, Renoir, Signac, Toulouse-Lautrec and Vuillard, as well as advertising posters, political journals, theater programs and sheet music. Features 200 works by 26 artists.

WASHINGTON
National Gallery of Art, tel: (202) 737-4215, open daily. Continuing/To Sept. 28: "Millennium of Glory: Sculpture of Angkor and Ancient Cambodia." Approximately 90 sculptures and representations of gods, guardians and female dancers, as well as bronzes for rituals, dating back to the 6th century.

EUROPEAN TOUR

Dallas Symphony Orchestra. Directed by Andrew Litton, the orchestra is touring Europe, with a mainly American program. The itinerary includes Zurich (Tonhalle, Aug. 22), London (Royal Albert Hall, Aug. 24), Amsterdam (Concertgebouw, Aug. 28 and 29), Dublin (National Concert Hall, Sept. 1), Locarno (Chiesa San Francesco,



From the "Josephine" exhibition at Rueil-Malmaison, France.

Sept. 5) and Lucerne (Helle von Moos Stahl, Sept. 7 and 8).

CLOSING SOON

Aug. 24: "Durer, Holbein, Grunewald: Old Master Drawings of the German Renaissance from Berlin and Basel." Kunstmuseum, Basel.
Aug. 24: "Peintures de l'Age d'Or du Danemark." Musée National d'Histoire et d'Art, Luxembourg.
Aug. 24: "German Photography: The Impact of a Medium 1870-1970." Kunst- und Ausstellungshalle der Bundesrepublik Deutschland, Bonn.
Aug. 25: "The Secret of the Golden Tiers: Works of Israel Rouchinsky." The Israel Museum, Jerusalem.
Aug. 25: "Sean Scully: Works on Paper." Whitworth Art Gallery, Manchester, England.
Aug. 28: "Rosa Bonheur, 1822-1899." Musée des Beaux-Arts, Bordeaux.

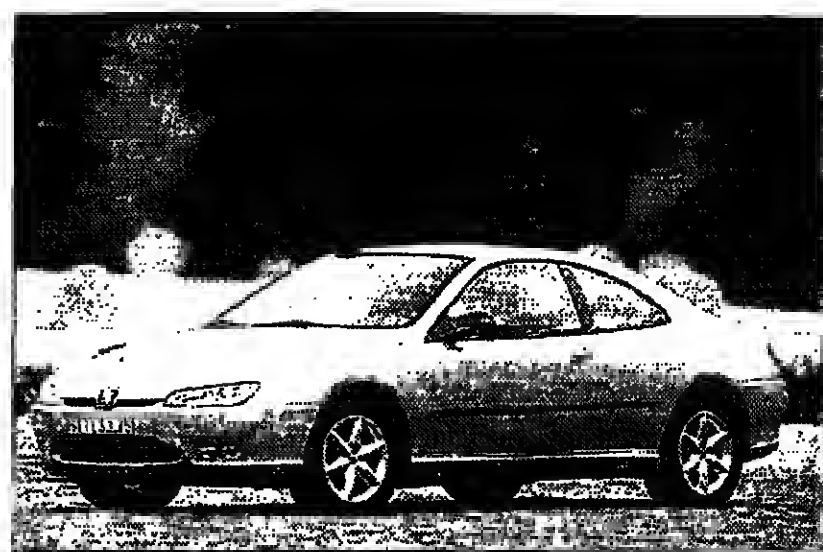


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THE CAR COLUMN

Style and Performance: Peugeot Coupé Has It All

By Gavin Green

STYLE sells. Even with humble, everyday sedans, research shows that people buy on looks more than any other quality, apart from previous experience.

With sporty coupés, style is not just important — it's everything. Coupés actually make no sense. They're usually cramped, hard to see out of, cost more than sedan equivalents, go no faster and handle no better. People buy coupés for one reason, and one reason only: because they like the look of them.

On which basis, there should be lines forming outside every Peugeot dealer around the world, eagerly waiting to snap up the prettiest, most visually appealing coupé we've seen in years — the 406 coupé. And should you be a rare coupé buyer who also cares how the car goes, I've got news for you: The answer is, very well.

The suspension and floor pan may be based on the everyday, but excellent, 406 sedan. But other than that, this is a coupé designed from the outset as a coupé (rather than merely a sedan with a couple of doors less, a bit more visual pizzazz and an enormously inflated price).

The engine, on the test car, was Peugeot's new 3.0-liter V6, which sounds musical when revved, is creamy smooth, and goes hard. The only downside is that it's thirsty. The body is the work of the Italian design house Pininfarina, better known for designing all the best Ferraris and for quite a few handsome Peugeot coupés and convertibles of yore.

CHROME AND LEATHER

The dashboard is borrowed from the sedan — although the fake wood has, thankfully, been replaced by plastic that looks like fake metal. It's better than it sounds. Little chrome bezels ring the instruments, adding that touch of class. The best part about the cabin is the optional leather seats. The test car's were in tan and were as beautiful to the eye, and to the touch, as the finest designer label leatherwear.

Other touches include the alloy gearshift lever and knob, which give a cool,

metallic touch — hard engineering meets designer fashion — to the hand-stitched leather chairs. The low-rent Peugeot switches look a little out of place in this testament to leather and alloy, but the overall effect is still pleasing. You feel you're in a car every bit as classy and expensive as competing BMW and Mercedes coupés.

On the move, the 406 coupé also compares well with top-brand two-door cars. The V6 engine gives great performance (the standard 2.0-liter four is a bit coarse and leisurely) and handles in a fluid, easy-going manner. The bigger tires and firmer springs, all part of imbuing the car with sporty qualities, make for more bump-thump on broken city roads than the standard, supple 406 sedan. The steering, too, is a little anesthetized for my liking; it lacks feel. But it is light, easy to twist and is connected to a lovely leather-rimmed steering wheel. On the road, the car is every bit as good as a BMW 328i coupé or a new Mercedes CLK coupé. And, in most markets, it's much cheaper.

THE SNOB-APPEAL PROBLEM Herein lies Peugeot's biggest problem. The highly illogical car market is not only unduly influenced by style, it is also beholden to the vagaries of snob appeal. BMW, Mercedes, Jaguar and, increasingly, Audi are the peers. Peugeot — despite the excellence of its everyday cars — is down with the proles, with Ford and Opel and Fiat and Renault, and all the Japanese makers.

The 406 coupé may buck the trend. Its gorgeous style, classy cabin and fine driving ability should lift it into the coupé first division, where it should make life difficult for those who may have better brains, but don't necessarily make better cars.

Peugeot 406 Coupé V6. About \$40,000. V6 engine, 2,946cc, 194 BHP. Front-wheel drive, five-speed manual transmission (four-speed automatic optional). Top speed: 235 kph (146 mph). Acceleration 0-100 kph in 7.9 seconds. Average fuel consumption: 10.9 liters/100km.

Next: The Ford Puma

Gavin Green is the editor in chief of Car magazine.

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INTERNATIONAL

The Prolific Snow Goose Is the Villain in a Canadian Tundra Crisis

By Howard Schneider
Washington Post Service

CHURCHILL, Manitoba — It has been 6,000 years since the Keewatin ice cap retreated from the coastal marshes around this Hudson Bay village, and for much of that time a prolific number of plants and animals shared what sub-Arctic Canada had to offer. Plants evolved with a type of organic antifreeze in their cells, and each summer's thaw revealed lush spreads of marsh grass, sedges and flowers; birds mimed and fertilized the lawn, and foxes ate the birds.

It was, say scientists who have studied the area intensively for 30 years, a system both finely balanced and broadly diverse, given the climate, from dozens of species of plant life to the top local predator, the polar bear.

Today, however, there's trouble on the tundra. In the past three decades, an explosion in the population of snow geese has reduced thousands of acres of once thickly vegetated salt- and freshwater marsh to a virtual desert, driving out other

species and threatening to overwhelm an ecosystem that would take decades to rebound.

The deteriorating situation has been tracked in detail by a team of scientists who have manned a field station deep in the Manitoba marsh each summer since the late 1960s. The situation is so serious that they want to call out the cavalry. At this point, they say, the only way to save the tundra is to kill the geese — lots of them.

The population has escaped hunters' control and predators' control, and there is no sign of its doing anything else but increasing, said Robert Jefferies, a University of Toronto biologist who has been part of the field research team at La Perouse Bay since 1974. Mr. Jefferies and other members of a joint U.S.-Canada panel have recommended killing at least half the continent's snow geese through increased hunting in the United States, where the birds spend the winter, and in Canada, where they return in summer to breed and rear their young.

Under the proposal being studied by the U.S. Fish and Wildlife Service and its Canadian coun-

terpart, hunters would be allowed to shoot the distinctive white birds all year, as many as they want. They would be allowed to bait migrating flocks into fields, use electronic calling devices to lure the birds, and possibly even enter America's network of national wildlife refuges in search of their prey.

And if hunters cannot kill enough of the birds, officials say, there has been serious discussion of asking for help from the military, or even introducing disease to "depopulate" a species that is resistant so far to sickness and other natural population controls, has climbed from fewer than a half-million in the 1960s to more than 3 million.

The birds may be majestic in flight and their annual arrival anticipated — along Maryland's Eastern Shore, the plains of Iowa and the swamps of Louisiana and Texas — as one of nature's grand events. But on the ground, in the marshes where they breed, they have become a pest, fattened for the winter on American grain, clustering farther south to avoid high-Arctic weather and increasing their numbers with an annual

population growth rate of 5 percent.

"They are very successful nesting birds, and they have shown the ability to devastate environments," said Paul Schmidt, chief of migratory bird management for the U.S. Fish and Wildlife Service, and co-chairman of the Arctic Goose Joint Venture, a panel of scientists and regulators established to study the snow goose.

The damage is obvious to the few hundred humans who live in this area year-round. "We're expecting the geese to land on the city square any day," said John Bilenduke, deputy mayor of Churchill, which once buzzed with military personnel stationed at a U.S. missile testing range but now relies on polar bear tours and a grain elevator to stay afloat.

It is obvious from outer space, where satellite photos show the goose damage as a wide, red strip around the coast of the Hudson Bay. "Any effect you can see from orbit I would argue is a big one," said Peter Kotanen, a University of Toronto botany professor.

Mr. Schmidt said wildlife officials plan to

consult with public interest groups and hold hearings over the next year. They hope to have measures for dealing with the geese in place by next fall.

The practical issues are difficult enough. Unlike Canada geese, snow geese are not a preferred game species. Many hunters don't think they taste as good. Refuge managers said it also may be difficult for hunters alone to control the population because the birds travel in large flocks, quickly learn to avoid decoys and will not stay in one place long enough to be killed in large numbers.

Biologists estimate that if 15 percent of adult snow geese are killed each year, the overall population could be cut in half in several seasons, with little danger of overkill or other misadventure. It is better to wait for a natural population crash as the geese run out of food and acceptable habitat, responded Susan Hagood, an analyst for the Humane Society of the United States, than to guess about how many birds should die.

KIDNAP: Soaring Market for Insurance

Continued from Page 1

and their security experts are becoming a crucial lifeline for American executives.

"When something happens, your first call is to the insurance company, not the embassy or the Marines," said Hugh Rosenbaum, an executive in London for Tillinghast-Towers Perrin, an American insurance consulting firm.

While globe-trotting executives are the archetypal customers for kidnap insurance, security experts say that domestic banks often buy the coverage, too, because the money in their vaults makes their personnel tempting prey for kidnapping and extortion, which is also covered by the policies.

Professional sports teams also buy kidnap insurance as do many of the best known names in Hollywood.

With tens of thousands of companies signed up for these policies, and sales rising at 15 percent to 20 percent a year, more insurers are beginning to offer kidnap coverage.

Cigna Corp., a large insurance company, has just entered the field. And J&H Marsh & McLennan, a big insurance brokerage, is expected to come out with a policy soon that, among other things, has a maximum ransom payment of \$60 million, \$10 million more than most competing policies.

"Companies used to buy this coverage only for their most senior people," said Mack Rice Jr., a senior vice president at Marsh & McLennan. "But as companies are working much more in the Third World," he said, "virtually all their employees, anywhere in the world are being covered. Family members and even guests of employees are covered."

Kidnaping is a moneymaker for insurance companies because there is a lot more fear of kidnapping among the prime customers — international business people — than there is kidnapping itself. While kidnapping is on the rise — security experts estimate there were more than 10,000 around the world last year — most victims are wealthy residents of such countries as Colombia, India, Mexico, Pakistan and the Philippines.

"In Mexico, Colombia and Brazil, they clearly prefer locals," said E. C. Ackerman, a former CIA operative who runs Ackerman Group Inc., an international security firm in Miami. "In Europe," he said, "the kidnappings almost always involve wealthy Europeans."

In the United States, kidnapping of executives and other prominent people is one of the least common crimes, security

experts said. That's because kidnappers here are almost always caught and long prison sentences are the rule, they said.

Nevertheless, American corporations buy kidnap insurance for peace of mind. Some policies are relatively cheap. For example, \$1 million worth of coverage for three years, the customary period for these contracts, can cost as little as \$1,000, according to Mr. Rice of Marsh & McLennan. But many large multinational corporations, the premium is often in the range of \$25,000 to \$50,000.

For the same amount of coverage against fire, wind and other hazards, the cost is considerably higher for businesses. And protection of directors and officers against civil litigation of all kinds is even more costly.

As kidnappers demand bigger ransoms — one of the largest was more than \$30 million in a Mexican business executive a few years ago — the insurance becomes an important bulwark of a company's financial stability, particularly for smaller companies. "If you're a Fortune 100 company you can afford to pay a ransom yourself," Mr. Ackerman said.

"And you can afford to hire security consultants to help get your employee back. But I've worked some cases where small companies really had to strain to come up the ransom money."

The ransom is the most obvious expense of a kidnapping. Policies also pay for interpreters, travel expenses, lost salary and the cost of hiring a replacement. They even cover the victim's financial losses, such as the failure to exercise stock options and renew insurance policies. They pay for a vacation after the victim is reunited with his family and, if needed, cosmetic surgery. The policies also cover the costs of defending legal suits that might arise from a kidnapping — including cases where the wife of a victim sues the company because she thinks that it did not do enough for her husband.

Should the ransom money somehow get hijacked on the way to the kidnappers, the insurance company takes care of that, too, with a new bundle of money.

Often the insurance company is the only place the family can turn for help. "In many countries, the police are incompetent or corrupt," said Brian Jenkins, the deputy chairman of Kroll Associates, an international security firm in New York. Sometimes, he said, the police turn out "to be part of the kidnapping gang, or they shake down the kidnappers for a share of the ransom."



Thomas Hargrove and his wife, Susan, at his home in Galveston, Texas. In 1995, he was kidnapped in Colombia by teenagers who kept him on a short chain. Experiences like his have fueled demand for kidnapping insurance.

For the families of kidnap victims, the issue is not whether to pay a ransom, but how. "You pay the ransom or you die," said Susan Hargrove.

One condition of kidnap policies is that people who are insured must promise not to tell anyone they have the coverage. That's because, the insurance companies say, simply having a policy makes clients look like gold-plated targets.

To guard against accidental disclosures, Mr. Rice of Marsh & McLennan said that companies often do not even tell employees that they are covered against

kidnaping. The policies themselves are handled like top-secret documents.

"When we issue a policy, you are given a number," Mr. Rice said. "We don't even put the company name on the file. The policies are locked in a drawer and only one person has the key."

Nearly every company that buys the insurance heeds the advice of the security consultants to set up a simple plan of action in advance. More than one regional manager has complicated the release of the victim. Mr. Jenkins of Kroll said, by trying to resolve a kidnapping on his own without calling headquarters.

When Mr. Hargrove was kidnapped, he was driving to work at his research center on the outskirts of Cali. He had decided to take the scenic route that morning and was gazing at the emerald hillsides when he spotted what he thought was an army road block. He realized he was in trouble when he saw the men wearing ski masks.

With rifles drawn, the abductors forced him into the back of a pickup truck and sped off. It was nearly a year before he saw his family again.

"You never knew if it would ever end," he said. "The people who took me were not ideologues. They were semiliterate teenagers, not smart enough to understand the implications of their actions. You never knew what they might do."

ZHU: China's 'Greenspan' Tames Inflation

Continued from Page 1

ward pressure on prices. Chinese manufacturers have the capacity to produce more than 30 million color TV sets a year, but Chinese consumers only bought 18 million in 1996. That left about 35 percent of Chinese color TV plants idle. Reductions in import tariffs and cheaper imports from places like Malaysia brought new competitive threats.

The largest TV manufacturer in China, Sichuan Changhong Electronics Group Corp., was not willing to watch its factory sit idle. So in March 1996, it became one of the first Chinese companies ever to cut prices, slashing them between 10 percent and 15 percent. Other producers soon followed Sichuan Changhong's lead, and the manufacturer has led two more rounds of price cuts since then.

The outcome: Consumers now pay about 25 percent less for the typical 21-inch color television set than they did one and a half years ago, according to Simon Hua, a Shanghai-based analyst for Nikko Research Center, Sichuan Changhong, which used to make radar equipment for the military, raised its share of the Chinese television market to 27 percent in 1996, up from 21 percent in 1995.

In the past, many state-owned enterprises have been able to avoid price cuts because they could compensate for poor sales results by borrowing money from government-owned banks that they would never be forced to repay. But Mr. Zhu has tightened bank lending and ended that form of corporate life support.

Foreign investors say they feel reassured by Mr. Zhu's presence, and foreign investment, which totaled \$40 billion last year, has contributed to the plentiful supply of many goods.

In the real-estate sector, the construction boom has created a glut of new commercial office space in major eastern cities.

"In Shanghai, there is a massive oversupply of office and, to a lesser extent, residential structures," said David Faulkner, a partner in Brooke Hillier Parker, an international real estate firm. He said rents have fallen by a third or more in top quality office buildings.

For the average Chinese person, the most important inflation factor is not luxury office space but food. There, too, Mr. Zhu has managed to rein in prices.

"There is no inflation," said Zhang Lixin, a Beijing street vendor selling melons from China's far west, grapes from the eastern region of Shandong and peaches from just outside Beijing. "Prices have been stable recently."

Mr. Zhu has added a hefty dose of government subsidy to help keep food prices steady. Central government food-price subsidies, which had peaked in 1990 and started to decline, changed course again in 1993. Over the next two years, central government food subsidies soared 22 percent. Figures for 1996 have not been published.

A policy of making city governments responsible for affordable food forced local officials to add their own subsidies.

Mr. Zhu's next task will be to step up the overhaul of state-owned enterprises.

Cutting off the free flow of credit and cutting government subsidies to state industries are only the first steps. Now the government must restructure those firms while generating enough jobs for laid-off workers, new school graduates and the army of unemployed rural migrants flocking to the cities.



Deputy Prime Minister Zhu Rongji.

BRIEFLY

Pretoria Puts Off An Amnesty Case

PRETORIA — Officials of the Truth and Reconciliation Commission acted Thursday to postpone a legal bid by the killers of a South African Communist hero, Chris Hani, to gain amnesty until late November.

Commissioner Hassan Mall said the amnesty hearings, which opened Aug. 11 with written confessions by two men, would reconvene on Nov. 24 at an as-yet unnamed site.

The hearings have been delayed by legal arguments over whether statements by the admitted assassins — a Polish immigrant, Janusz Walus, and a conservative politician, Clive Derby-Lewis, should be admitted as evidence. (AFP)

Germany Foresees A Thaw With Iran

BONN — A new start in the strained relationship between the European Union and Iran is possible after a new government has been formed in Tehran, Foreign Minister Klaus Kinkel said in an interview Thursday.

"There is a possibility for a new start in the relationship between EU nations and Iran," said Mr. Kinkel, adding that the European Union was ready for talks.

Relations soured after EU members recalled their ambassadors when a Berlin court ruled in April that top Iranian leaders were linked to the 1992 murder of four Kurdish Iranian dissidents in Berlin. (AP)

British Plan to Aid Victims of Volcano

LONDON — Britain announced emergency cash aid on Thursday for people who want to leave the volcano-devastated Caribbean island of Montserrat for other countries in the region.

But the package fell far short of the amount demanded by local government officials in the British colony after it became clear that the Soufriere Hills volcano could threaten the whole island and the 4,000 to 5,000 people still on it.

Adults moving to other countries in the Caribbean would get £2,400 (\$3,820) over the next six months, provided they did not have savings and assets valued £10,000. Those under 18 would get £600. (Reuters)

Compensation Set For Argentines

BUENOS AIRES — The Argentine government has announced that it will issue \$3 billion in bonds next year to compensate relatives of the people who disappeared in Argentina's "dirty war."

With its announcement, the government took a step toward reconciling with families of thousands of people who disappeared under a crackdown by the military dictatorship on suspected leftists and political dissidents.

From 1976 to 1983, at least 9,000 people disappeared. Human-rights groups claim as many as 30,000 people never reappeared. (AP)



Mr. Siew at his news conference.

TAIWAN: Prime Minister to Be Replaced

Continued from Page 1

appointment as a sign of renewed interest in mending relations.

Mr. Lien's cabinet resigned with him and a new one will take office Sept. 1, the mass-circulation United Daily News reported. Foreign Minister John Chang will be promoted to deputy prime minister, the newspaper said.

The resignation of Mr. Lien had been expected but was delayed by fears that his successor would not survive a confirmation vote in the fractious legislature. Constitutional changes passed last month abolished such votes.

Taiwan's prime minister is appointed

by the president, who retains most decision-making powers. The prime minister's main task is to shepherd legislation through Parliament.

Embarrassed by scandals, crime and corruption, the Nationalists will be relying on the popular Mr. Siew to shore up their image before county and mayoral elections, where the Nationalists have lost seats to the opposition Democratic Progressive Party, including control of Taipei, the capital.

Mr. Siew said he would continue Mr. Lee and Mr. Lien's emphasis on raising Taiwan's international competitiveness in preparation for joining the World Trade Organization. (AP, Reuters)

MIGS: Flying Agile MiG-29s Gives German Pilots Sense of What Might Have Been if the Cold War Had Gone Hot

Continued from Page 1

MiG that they might have to face in some war. Perhaps even more important for the future, the MiG-29 experiment in Germany has heated up debate about the armaments of new NATO members to the east.

Will prospective NATO members buy Western-made arms now as they prepare to join the alliance? Or could Poland, Hungary and the Czech Republic start out with the Soviet-made warplanes and tanks they have and postpone big weapons purchases until their economies have strengthened?

In Germany, civilian and military policy-makers argue vigorously for the slow road, citing Fighter Wing 73 as evidence that Soviet model warplanes can operate comfortably in tandem with Western weaponry. Indeed, Fighter Wing 73 now pairs its MiG-29s with its F-4 Phantoms, a U.S.-built warhorse whose modernized radars offer long-range protection lacking in the Soviet-built interceptors.

New NATO members should copy this mix-and-match approach, German officials said this week in interviews, concentrating on communications and training, not on new Western-made hardware.

"The important thing is to be able to cooperate effectively, and it can be done with Soviet-made equipment if the people who are flying it and organizing it understand the NATO system and speak the NATO language," according to an aide to Defense Minister Volker Rube.

Not everyone agrees, starting with U.S. defense contractors. They see a \$10 billion market for 300 warplanes in Central Europe over the next five years. Defense Secretary William Cohen, on a visit

to Budapest, urged Hungary to raise its defense spending, including on up-to-date weapons.

Officials in Bonn described Mr. Cohen's statement as a scarcely concealed message to the Hungarians to buy U.S. arms as a way of ensuring Senate votes ratifying NATO enlargement.

"I see evidence that the Poles, for example, are starting to think this way after only a year ago insisting on buying F-16s and getting rid of their Soviet stuff," according to a general in the Defense Ministry in Bonn, who asked not to be identified because he is involved in negotiations with allied armed forces.

The biggest uncertainty about the future of Soviet-made equipment is the ability of Russian factories to maintain their products over the next decade, according to a Luftwaffe logistics officer. At one point, Fighter Wing 73 lacked a vital lubricant for its MiG-29s because the only factory making it was destroyed in Chechnya.

"It's a problem teaching them how to think about spare parts: their system was to pre-stock whole engines or whole planes, not deliver pieces when you need them," the Luftwaffe specialist said.

German officials made no secret of their disappointment about the irregularity, mysteriousness and world-class high prices of after-sales service from Rosvooruzheniye, Russia's arms-export monopoly.

An apparent acknowledgement of that organization's shortcomings came from Moscow on Thursday, when President Boris Yeltsin announced that it was being reorganized under a new head, Yevgeni Ananyev, 48, currently chairman of the

board at a bank linked to the MiG manufacturers.

German officials stressed that for the next few years both Fighter Wing 73 and central European air forces can be confident of keeping their MiG's combat-ready with existing stocks.

At Laage, German MiG-29 pilots concurred in the general view that NATO's top priority should be training, not hardware — that what matters is not the plane you fly but how you fly it.

Even while they champion the MiG-29's best features, the German pilots also stressed that the plane demonstrates the deep shortcomings in the Soviet system and the problems to be overcome in any effort to integrate ex-Soviet military forces into the NATO system.

"We fly the MiG-29 so well that we can beat almost any Western warplane in a close dogfight, but it's taken us six years to get the former East Germans to the point where we can fly joint missions with a U.S. squadron," a Luftwaffe major explained at Laage.

Another officer said that "they are good pilots now" after Luftwaffe retraining, but he added that "the pilots who first showed us how to fly in Soviet-style air forces" will never make squadron leaders because they lack the initiative, leadership skill, the aggressiveness — in the good sense.

The MiG-29 embodies the problem, they said, as a plane that fits the Warsaw Pact concept of defense but could never really work in a Western system of airpower. Put simply, the MiG-29's acrobatics make it a unique killing machine, but the plane lacks the range of a modern Western warplane.

"In a dogfight, I can beat anything, even an F-15 is easy, except the latest-model F-16C," the wing

commander said. The MiG-29 can accelerate in a turn as tight as the pilot can stand without blacking out — a feat no Western jet can match.

The trouble is that U.S. warplanes no longer wait to get into visual contact to down enemy planes. Instead, the kill is made by long-range radar and missiles — of which the MiG-29 has none.

In the Soviet system, the MiG-29 was supposed to go into combat with every decision being made by controllers on the ground. "They could even jig the radar so the pilot didn't see 10 enemy planes coming at him, only the one he was supposed to shoot," a Luftwaffe pilot explained.

To eliminate any initiative by pilots, the MiG-29 was designed to be short range, with only pre-set radio frequencies, a navigation system that shuts down after a set flying time. A pilot, in the Soviet system, could not fire a missile without an electronic release from the ground.

"It was the only part of the plane we didn't get, the black box of controls for the plane, which East German technicians were never allowed to touch and which the Soviets took home with them," Mr. Mack said.

So could the MiG-29 be used by a NATO air force? Yes, the Luftwaffe logistics expert said, estimating that central European air forces could refit the planes with new radars, navigation systems and radios for as little as \$500,000 each — a fraction of the cost of a new warplane.

Even if that refit enabled them to operate alongside NATO planes, the MiG's would still face big problems in becoming operational in combat conditions alongside allied airmen trained for Western-style performance in their wingmen.

Handwritten signature: "John P. 150"

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Herald Tribune BUSINESS/FINANCE

FRIDAY, AUGUST 22, 1997

IMF: Worst Of the Thai Crisis Ends

Fund Approves Loan Totalling \$4 Billion

WASHINGTON — The worst of Thailand's economic crisis, which has pummeled the Thai baht in recent weeks, is past, the managing director of the International Monetary Fund, Michel Camdessus, said Thursday.

"I strongly believe that, yes, we have seen the worst of the crisis, provided this program is implemented with perseverance, which should match the boldness of the measures, which have been adopted," Mr. Camdessus said, referring to a package of IMF loans approved late Wednesday.

The fund approved a \$4 billion loan for Thailand, part of a multinational rescue package of \$16.7 billion being provided by seven other Asian countries, the World Bank and the Asian Development Bank.

The bailout is the largest since the IMF and the United States loaned Mexico \$50 billion in 1995 to help it overcome a currency crisis.

Thailand's economy, the world's fastest-growing between 1985 and 1995, is suffering from the slowest growth since the 1960s, a depreciated currency and the closure of 58 failing financial institutions.

The Thai bailout package will bolster Thailand's foreign currency reserves, which were severely depleted when the government tried to fight off speculators' attacks on its currency. The country's net foreign reserves shrank to as low as \$6.6 billion from almost \$40 billion in October.

The governor of the Bank of Thailand, Chaiyawat Wibulsawadi, said Thursday that the reserves at the end of July totaled \$30 billion. The government owes \$23.4 billion of that on foreign-currency contracts used to support the baht and due by August 1998.

Under the IMF package approved Wednesday, Thailand will have access to \$1.6 billion immediately and an additional \$810 million will be allocated after Nov. 30, provided Thailand meets economic performance targets.

Subsequent disbursements will be quarterly, provided the targets continue to be met, the fund said.

To meet conditions to obtain the credits, the Thai government announced it would reduce spending and increase the national sales tax to 10 percent from 7 percent.

The decision by the fund's executive board, which represents its 181 member nations, followed an international meeting Aug. 12 in Tokyo at which the details were hammered out.

Treasury Secretary Robert Rubin called the IMF package a "significant step" toward establishing economic stability in Thailand.

The devaluation of the baht on July 2 triggered speculation against other currencies in southeast Asia. When it was all over, the baht had lost more than 20 percent of its value against the dollar. (Bloomberg, AP)

IMF Reopens Kenya Talks

The IMF is reopening negotiations with Kenya over a \$216 million loan program suspended July 31, Mr. Camdessus said Thursday, Bloomberg News reported.

The loan program was halted because the country "fell short" of meeting IMF-required government reforms, the IMF said at the time.

Mr. Camdessus said he spoke with President Daniel arap Moi on Wednesday, "and told him we are always ready to speak, and that my keenest wish is to find the conditions for allowing the IMF to restart its financing."

He said he agreed to send an IMF negotiating team to Nairobi after Mr. Moi offered "very strong determination to try to address" the issues raised by the IMF.

"If it appears," Mr. Camdessus said, that Mr. Moi "can go far enough in the right direction, then I would be delighted to start again our cooperation with them."



An Indonesian farmer scrutinizing his black pepper plants on the pepper-producing island of Bangka.

Low Stocks Spice Up Pepper Prices

LONDON — A recent rally has sent pepper prices to their highest level in a decade, and spice traders say supply is so tight that the market could get even hotter.

Prices may hang on such diverse factors as how many Indians will use more chili instead of pepper in their cuisine and the unpredictable impact on world weather and agriculture of an El Nino current in the Pacific Ocean.

Black pepper prices have soared in recent months to \$5,000 per ton and almost \$6,000 per ton from about \$2,000 at the beginning of 1997, mainly because of a low harvest in India, which is the biggest exporter.

Traders reckon world output this year may be some 120,000 tons, against demand at 160,000.

"You usually make up a deficit in pepper from stocks," said Peter Knight at the food importers Chambers and Knight in London. "Pepper

keeps well. So people stock it until the price goes up," he added.

But he said it was possible that speculators who have hoarded pepper may have emptied much of what they had in their warehouses.

"We think stocks have got much smaller," Mr. Knight said. "The key to the future then becomes what India does next year."

Importers include not only the size of India's early 1998 harvest but also the use of chili in India which consumes about 30,000 tons of pepper a year. Lower demand at home would allow India to increase exports.

But elsewhere drought caused by the El Nino weather pattern could damage pepper vines.

Indian black pepper for September and October delivery was quoted in London on Wednesday at \$5,900, compared with \$5,450 last week. Traders say one reason for the jump may have been a Russian demand for 600 tons.

Besides being sold in supermarkets for home consumption, pepper is used throughout the food industry. Mark-ups along the supply chain mean there is scope to cushion the impact of high world prices to the consumer.

After India, the biggest producers are Indonesia, Malaysia, Vietnam and Brazil. Indian traders said the country has forecast a production of 55,000 tons for the year to Oct. 31, compared with 62,000 tons last season.

The intergovernmental International Pepper Community has revised down its forecast for Indonesia to 38,000 tons in 1997 from 39,200 in 1996.

"We're seeing this rally because of the worldwide shortage in pepper supply," said a spokesman for the Pepper Marketing Board in Kuching, Sarawak in Malaysia.

"There has been lower production forecast from us, India, Indonesia and all others this year."

In a First, UPS Cuts Value of Its Stock

ATLANTA — United Parcel Service of America Inc. cut the value of its stock by \$285 million following a Teamsters union strike, the first such reduction in the delivery company's 90-year history.

The UPS board Wednesday reduced the value of each of its 570 million outstanding shares, which are not publicly traded, by 50 cents to \$30.

The directors cut the value of the stock as many of the company's trucks began rolling across the United States for the first time since the walkout began Aug. 3. A letter to the company's stockholders Thursday attributed the cut "to the strike," said Mark Dickinson, a spokesman for the Atlanta-based company.

The move is an embarrassment for the world's largest package-delivery company, which has raised the value of its stock each quarter since early 1995 when it was at \$23.50. Most of the company's stock is held by UPS executives, retirees and trusts established by the family of its founders.

The UPS chairman, James Kelly, said the walkout by 190,000 Teamsters union members employed by the company cost it about \$650 million. During the strike, the company moved about 500,000 parcels a day, far less than the prestrike average of 12 million that accounted for about 80 percent of the U.S. ground package-delivery market.

While the company said it expected volume to pick up now that the strike is over, it said more than 15,000 jobs could be cut because of permanently lost business.

"All of our jobs depend on our

volume level," the UPS spokesman, Rick Warlick, said. "Certainly as we go back to work, as our volume picks up, we will add workers. Any businesses that have gone away as a result of the strike may mean fewer jobs."

Thirty-five percent of the 4,671 workers in UPS's offices in several Southern states were laid off Wednesday, said Doug Ascraft, a manager in Little Rock, Arkansas.

About 1,200 part-time workers also were laid off in Massachusetts and Rhode Island. In Oregon and southwest Washington, 684 workers — 257 of them full-timers — were laid off Wednesday. A handful of Atlanta drivers were also turned away.

In Charlotte, North Carolina, only a small number of the 800 UPS employees were called back to work. Rows of idle trucks were parked in the expansive parking lot.

"There's not enough work for them," said Norman Bellows, a supervisor.

More than 11,200 members of the Teamsters union in the Chicago area remained on strike Thursday while trying to reach a separate contract.

Most of the drivers, sorters and other staff who were involved in the strike will be unaffected by the stock-price cut, according to the union's spokesman, Steve Tross. He said teamsters union members own less than 3 percent of the stock.

According to an annual filing with the Securities and Exchange Commission, UPS "has not followed any predetermined formula" for establishing the value of its stock.

Instead, the company's "decisions

have been based primarily on the judgment of the board of directors as to the long-range prospects of UPS rather than what the board considers to be the short-range trends relating to UPS," the company said.

In January, UPS distributed about 6.27 million shares of UPS stock to 26,428 managers and supervisors under a management-incentive plan. A year earlier, UPS distributed 6.3 million shares of its stock to 27,223 managers and supervisors.

The company said it earned \$1.1 billion in 1996 on revenue of \$22.4 billion.

Full-time UPS employees at the company for at least a year are allowed to purchase its stock either with cash or through an individual retirement account or payroll deduction, the company said.

Part-time employees with the company for at least a year received the opportunity to buy in starting in December 1996. Since the shares are not publicly traded, employees who want to sell their shares must sell to the company at the price it sets. (Bloomberg, AP)

MCI Shares Plunge Amid Takeover Doubt

Analysts Say BT Seeks Price Cut

Compiled by Our Staff From Dispatches

NEW YORK — Shares in MCI Communications Corp. dropped sharply Thursday amid signs that British Telecommunications PLC was seeking a lower purchase price for the U.S. telecommunications provider.

The two companies confirmed Thursday that talks were under way on the "economic terms" of the deal. MCI issued a statement late Wednesday night indicating that the deal was in jeopardy.

When it was announced in November, the transaction — which would be the biggest takeover of a U.S. company by a foreign one — was hailed by some as giving BT an added advantage in Europe's telecommunications market, which is to be deregulated next year.

Others said it could add the finishing touch to the British company's worldwide expansion plans. Still, some analysts had warned that BT was overpaying for MCI, which faced changing regulations at home and brutal competition.

Then MCI stunned BT and investors in July by disclosing that its local phone business would lose \$800 million this year, double the earlier estimates, and that growth in its main long-distance business was slowing.

Still, analysts said Thursday that BT and MCI were expected to complete the deal to create a new company called Concert PLC because both have too much at stake. MCI needs BT's deep pockets to push into the \$100 billion-a-year U.S. local phone market, while BT needs MCI to give it a foothold in the United States and help it compete internationally.

Under current terms, BT would pay MCI investors \$23.7 billion in cash, stock and assumed debt for the 80 percent of the company it does not already own. BT's original offer valued MCI at \$41.78 a share, based on Thursday's

closing price for BT's American depositary receipts, or ADRs.

British Telecommunications' ADRs rose \$4.25 to \$66.25 amid expectations it would get better terms. In London, BT stock closed at 410 pence (\$6.52), up 27 pence. MCI's stock price fell \$6.06, or 17 percent, to \$30.625, while

Daniel Zito, an analyst at Legg Mason Wood Walker Inc., said that he expected the price paid by BT to come down, perhaps by as much as 20 percent. "It can't just be candy," he said. "They've got to change this substantially."

Neither company would comment on the specifics of the renegotiations.

"We shareholders have been battered by confusion on this one, but it appears that there will be discussion on the price," said a manager at a fund that holds BT and MCI. Such a move could put the deal on hold for months, he said.

The U.S. Federal Communications Commission said Thursday it had approved the purchase, subject to conditions and safeguards that ensure the combination will enhance competition in the United States.

BT began a review of the proposed alliance last month, amid pressure from its holders after MCI issued its profit warning.

If one of the companies were to call off the transaction, it would have to pay the other a \$150 million termination fee, according to a filing with the Securities and Exchange Commission.

(Bloomberg, AP, Reuters)

U.S. Stocks Slump

Stocks fell Thursday as bond prices slumped and investors saw few reasons to buy after three consecutive 100-point

See DEAL, Page 14

Lease Terms Force PAL To Halt Flights to N.Y.

Compiled by Our Staff From Dispatches

MANILA — Philippine Airlines Inc. said Thursday it would suspend flights to New York because U.S. regulations requiring the carrier to hire U.S. pilots and maintenance workers were causing "staggering losses."

The carrier said the final leg of its flights from Manila to New York via Vancouver would be halted on Sept. 2, but that it would retain its three flights per week to Canada.

Philippine Airlines said it had lost money because of a requirement that forces the airline to use only aircraft, pilots and crew leased from a carrier designated by the U.S. government.

Under so-called category two restriction, the U.S. carrier, World Airways, provides and charges Philippine Airlines for aircraft, crew, maintenance and insurance costs. Philippine Airlines also pays for the pilots flying these leased planes.

"The U.S.-imposed category-two restriction serves to benefit only the U.S.-designated carrier and forces the Philippine carrier into an insoluble catch-22 situation," Philippine Airlines said.

Philippine Airlines did not give a figure for the losses, other than saying they were "staggering."

In a letter to the Civil Aviation Board

airlines said U.S. carriers would continue to "enjoy the liberty to exercise their rights to the Philippines."

"By contrast, the Philippine flag carrier has been prevented from exercising the hard-won rights established" in a 1995 bilateral agreement, the statement said.

Philippine Airlines has been leasing four MD-11 passenger planes from World Airways Inc. of Herndon, Virginia. After suspension of the New York leg, the aircraft will be used for the Manila-Vancouver flight for the remainder of the lease, the carrier said.

World Airways and Philippine Airlines have been haggling over lease payments since early last month. The Philippine carrier claimed that World Airways had not met unspecified obligations under its lease contract, thus causing delays in its flights. World Airways denied the allegations.

Philippine Airlines, which is controlled by the tobacco magnate Lucio Tan, posted a net loss of 1.4 billion pesos (\$46.28 million) for the first quarter to March, the latest for which figures are available.

The loss came despite an 8 percent jump in revenue from the previous quarter, to 7.9 billion pesos. Expenses rose 9 percent, to 8.9 billion pesos. (Bloomberg, AFP)

WALL STREET WATCH

French Oil-Service Firm Rides a Wave

By Robert Hurtado
New York Times Service

NEW YORK — Bouygues Offshore, one of a handful of oil-service companies benefiting from the global quest for new supplies through deep-sea drilling, was already starting to catch analysts' attention. When Elf Aquitaine, the French oil concern, announced a major find Tuesday off the shore of Angola and its shares surged, it also lifted the share price of Bouygues Offshore, one of its suppliers.

Based in France, Bouygues Offshore was formed in 1975 as a wholly owned subsidiary of Bouygues SA, one of the world's largest engineering and construction companies.

In November, the unit, which builds offshore platforms, completed an initial public offering at \$12.38 for each American depositary receipt, which represents half of an ordinary French share; the offering cut the parent's stake to 60 percent. In late trading Thursday, the ADR was up 81.25 cents, at \$19.8125; it closed Tuesday at \$17.25.

But the prospects for Bouygues Offshore are by no means limited to Elf. Such companies as Exxon Corp. and Mobil Corp. have intensified their search for new reserves, particularly in previously unreachable locations, contracting with the company to build floating drilling platforms and related equipment. Also among its largest customers are Royal Dutch/Shell Group, Chevron Corp., Texaco Inc. and Total SA.

Last year, 58 deepwater floating platforms operated worldwide, and the number is expected to reach 107 within the next couple of years, according to Paul Chambers of Lehman Brothers.

"In the last couple of years, design and engineering advances in oil-platform construction have enabled the international energy companies to explore and drill for deepwater reserves that heretofore were beyond their grasp," he said.

"Bouygues Offshore is trading at a significant 30 percent discount to its peer group," said J. Michael Gallipio of Van Eck Funds, a mutual fund group in New York.

"Our investment rationale is that we consider Bouygues a good play on the West African market, which has been one of the hotter exploration areas over the past few years," he said. One reason it trades at a discount, he said, is its lack of a presence in the Gulf of Mexico, where other oil-service companies — and the American money managers investing in them — have focused.

Mr. Gallipio forecasts that the company will earn \$1 to \$1.05 a share this year and about \$1.30 to \$1.35 in 1998. He set the target price at about \$22 per ADR and called that conservative, adding that the company's growth potential was exceeding expectations.

Though the company is seeing rising earnings from operations, the growth is masked by a cut in financial-related income, including interest income and currency exchange. As a result, the

company earned \$1.06 a share in 1996, down from \$1.24 a share in 1995.

Technological advances are significantly contributing to growth opportunities. Tens of thousands of fixed platforms are perched atop offshore oil and gas sites, but the largest fixed platform can drill down only about 1,000 feet (300 meters). But since the 1980s, floating platform systems have made it possible to drill up to one mile (1.6 kilometers) deep in the ocean, unlocking oil and gas reserves once considered unreachable.

Drilling depth is not the only advantage. "Because of their mobility," said Ivan Replumaz, chairman of Bouygues Offshore, said, "floating platforms can be reused after the depletion of an ocean field."

One of the world's top locations for deepwater drilling is West Africa, where Bouygues Offshore dominates. In 1996, 55 percent of the company's \$634.4 million in sales were derived from customer contracts in West Africa. The company also has a sizable presence in the North Sea and Asia.

New contracts are considered the industry's life blood, and within the past couple of months Bouygues Offshore has won four, with a combined value of \$175 million.

Many of its previous contracts are entering the more profitable phases of fabrication and installation, said Dan Pickering of the research firm Simmons & Co., and the company is bidding on contracts worth about \$1.4 billion.

CURRENCY & INTEREST RATES														
Cross Rates										Aug. 21				
	\$	£	D.M.	Yen	Scd.	Sw.	Fr.	It.	Sp.	1-month	3-month	6-month	9-month	1-year
Australia	1.3400	0.6700	1.3600	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
Canada	0.7100	0.3550	0.7100	70.00	110.00	90.00	110.00	90.00	110.00	5.50	5.50	5.50	5.50	5.50
France	6.5500	3.2750	6.5500	655.00	1000.00	800.00	1000.00	800.00	1000.00	5.50	5.50	5.50	5.50	5.50
Germany	1.3600	0.6800	1.3600	136.00	210.00	170.00	210.00	170.00	210.00	5.50	5.50	5.50	5.50	5.50
Italy	1.3600	0.6800	1.3600	136.00	210.00	170.00	210.00	170.00	210.00	5.50	5.50	5.50	5.50	5.50
Japan	100.00	50.00	100.00	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
UK	0.6700	0.3350	0.6700	67.00	105.00	85.00	105.00	85.00	105.00	5.50	5.50	5.50	5.50	5.50
Switzerland	1.4800	0.7400	1.4800	148.00	230.00	190.00	230.00	190.00	230.00	5.50	5.50	5.50	5.50	5.50
Sweden	8.4000	4.2000	8.4000	840.00	1260.00	1050.00	1260.00	1050.00	1260.00	5.50	5.50	5.50	5.50	5.50
Spain	163.00	81.50	163.00	163.00	250.00	200.00	250.00	200.00	250.00	5.50	5.50	5.50	5.50	5.50
South Africa	13.7500	6.8750	13.7500	1375.00	2062.50	1700.00	2062.50	1700.00	2062.50	5.50	5.50	5.50	5.50	5.50
South Korea	100.00	50.00	100.00	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
Taiwan	100.00	50.00	100.00	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
Thailand	100.00	50.00	100.00	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
US Dollar	1.0000	0.5000	1.0000	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
Yen	100.00	50.00	100.00	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
Changes in Amsterdam, London, Milan, Paris and Zurich, figures in other centers: New York of 4														
C.M. & Toronto rates of 3 P.M.														
a. To buy one pound b. To buy one franc c. Units of 100; N.A.: not quoted; N.A.: not available.														
Other Dollar Values														
	Per \$	Per £	Per DM	Per Yen	Per Scd.	Per Sw.	Per Fr.	Per It.	Per Sp.	1-month	3-month	6-month	9-month	1-year
Australia	1.3400	0.6700	1.3600	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
Canada	0.7100	0.3550	0.7100	70.00	110.00	90.00	110.00	90.00	110.00	5.50	5.50	5.50	5.50	5.50
France	6.5500	3.2750	6.5500	655.00	1000.00	800.00	1000.00	800.00	1000.00	5.50	5.50	5.50	5.50	5.50
Germany	1.3600	0.6800	1.3600	136.00	210.00	170.00	210.00	170.00	210.00	5.50	5.50	5.50	5.50	5.50
Italy	1.3600	0.6800	1.3600	136.00	210.00	170.00	210.00	170.00	210.00	5.50	5.50	5.50	5.50	5.50
Japan	100.00	50.00	100.00	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
UK	0.6700	0.3350	0.6700	67.00	105.00	85.00	105.00	85.00	105.00	5.50	5.50	5.50	5.50	5.50
Switzerland	1.4800	0.7400	1.4800	148.00	230.00	190.00	230.00	190.00	230.00	5.50	5.50	5.50	5.50	5.50
Sweden	8.4000	4.2000	8.4000	840.00	1260.00	1050.00	1260.00	1050.00	1260.00	5.50	5.50	5.50	5.50	5.50
Spain	163.00	81.50	163.00	163.00	250.00	200.00	250.00	200.00	250.00	5.50	5.50	5.50	5.50	5.50
South Africa	13.7500	6.8750	13.7500	1375.00	2062.50	1700.00	2062.50	1700.00	2062.50	5.50	5.50	5.50	5.50	5.50
South Korea	100.00	50.00	100.00	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
Taiwan	100.00	50.00	100.00	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
Thailand	100.00	50.00	100.00	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
US Dollar	1.0000	0.5000	1.0000	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
Yen	100.00	50.00	100.00	100.00	163.00	136.00	163.00	136.00	163.00	5.50	5.50	5.50	5.50	5.50
Forward Rates														
	30-day	60-day	90-day	120-day	150-day	180-day	210-day	240-day	270-day	300-day	330-day	360-day	390-day	420-day
Australia	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400
Canada	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100
France	6.5500	6.5500	6.5500	6.5500	6.5500	6.5500	6.5500	6.5500	6.5500	6.5500	6.5500	6.5500	6.5500	6.5500
Germany	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600
Italy	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600
Japan	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
UK	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700
Switzerland	1.4800	1.4800	1.4800	1.4800	1.4800	1.4800	1.4800	1.4800	1.4800	1.4800	1.4800	1.4800	1.4800	1.4800
Sweden	8.4000	8.4000	8.4000	8.4000	8.4000	8.4000	8.4000	8.4000	8.4000	8.4000	8.4000	8.4000	8.4000	8.4000
Spain	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00
South Africa	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500
South Korea	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Taiwan	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Thailand	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
US Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Yen	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Sources: ING Bank (Amsterdam), Credit Investment Bank (Brussels), Banca Commerciale Italiana (Milan), Deutsche Bank (Frankfurt), Citicorp (New York), Citicorp (London), Citicorp (Paris), Citicorp (Zurich), Citicorp (Tokyo), Citicorp (Hong Kong), Citicorp (Singapore), Citicorp (Manila), Citicorp (Cebu), Citicorp (Iloilo), Citic														

Swissair Swings To Profit in First Half

Bloomberg News

ZURICH — SAIR Group, the parent company of Swissair, said Thursday it had returned to profit for the first-half, with earnings of 109 million Swiss francs (\$71.4 million) as the franc weakened and Swissair carried more passengers and freight.

SAIR, which also has catering and hotel businesses, said it reversed the 3 million-franc loss it posted for the first half of 1996. "The results were very positive," said Gerard Huesler, a fund manager at Union Bank of Switzerland.

SAIR shares rose 5 francs to 1,955 francs on Thursday. While some analysts raised their price targets for the share, others said that the stock has soared 80 percent this year, outperforming other European airline stocks.

"The performance of the share today shows that the market had discounted the result even though it was above expectations," said Beat Kunz of Bank Julius Baer.

The company is benefiting from an upturn in business as prices continue to fall and European economies begin to emerge from a recession, analysts said. Austrian Airlines AG, in which SAIR holds a 10 percent stake, said Tuesday it swung to an operating profit in the first half.

SAIR said its first-half seat-load factor, or percentage of seats filled, rose 9 percentage points, to 68 percent.

Last year SAIR posted a record net loss of 497 million francs, after taking a charge of 567 million francs to write off losses at Sabena SA of Belgium. SAIR said Sabena's first-half loss narrowed 38 percent, to 42 million Swiss francs and that its first-half seat-load factor rose to 68 percent from 61.3 percent.

North European Banks Burst With Profit

ABN Snelches Talk of Acquisition Danes Gain on Portfolios and Loans

Compiled by Our Staff From Dispatches

AMSTERDAM — ABN AMRO Holding NV posted a 20 percent increase in first-half earnings Thursday and gave a positive forecast for the full year, but the Netherlands' largest bank dampened speculation that it planned a big acquisition.

Net profit rose to 2.04 billion guilders (\$975.8 million) from 1.70 billion in the year-earlier period. The bank raised its dividend 18 percent to 53 Dutch cents per share.

Jan Kalf, the company's executive-board chairman, hailed the result, but the market took a different view, and ABN's shares slipped 2.7 guilders, to 45.40.

ABN is the biggest foreign bank operating in the United States, and therefore gained from the rise in the dollar. The dollar averaged 1.97 guilders in the first half, compared with 1.68 a year earlier.

ABN sold its securities arm, MeesPieroo NV, last year, but has since expanded in the United States through the acquisition of Standard Federal Bancorp and Chicago Corp.

European acquisitions included Hungary's Magyar Hétel Bank at the end of 1996, and two small French banks, Banque Demachy and Banque de Phenix, which it acquired in June 1997.

"After the successful first half we expect that, barring unforeseen circumstances, the second-half net profit will also be up compared to the same period last year," the bank said.

Mr. Kalf denied persistent rumors that ABN would buy British insurer Commercial Union PLC.

"You can also take that to mean

we will not pursue any acquisitions in the field of insurance," he said.

He also refuted speculation that ABN was sizing up Britain's National Westminster Bank PLC and Commerzbank AG of Germany.

Mr. Kalf said the bank had almost ruled out an acquisition in Germany, adding it might not make another big U.S. purchase for many years but was considering Compagnie Financière de C.I.C., a French banking group.

"Underlying growth has been much better and they've taken ample provisions for the introduction of the euro," said Jean-Paul van Bavel, analyst at F. van Lanschot Bankiers. "But the bottom line is disappointing. The outlook for the second half is not very bullish."

(Reuters, Bloomberg)

Halifax Ponders Its Surplus Capital

Compiled by Our Staff From Dispatches

LONDON — Halifax PLC, the biggest British mortgage lender, posted a 9 percent increase in first-half profit on Thursday and said it would return surplus capital to shareholders if it could not find suitable acquisitions.

First-half earnings rose to £802 million (\$1.27 billion) from £737 million a year ago.

Halifax, formerly a mutually owned building society, converted to bank status and became a public company in June and said it would pay its first dividend, for the full 1997 year, in May 1998.

Mike Blackburn, chief executive,

said that the company would return capital to shareholders if it could not spend its £3.5 billion surplus on acquisitions.

Mr. Blackburn said that returning the capital could take the form of higher dividends or share buy-backs.

Mr. Blackburn said Halifax was constantly looking at acquisition prospects but said that prices of financial assets looked high.

"We are carrying a pretty significant amount of surplus capital," Mr. Blackburn said. "But any acquisition has to meet two criteria: firstly they have to fit strategically, and secondly they have to enhance value for the shareholders."

(Reuters, Bloomberg)

counting laws require companies to calculate the realized and unrealized gains on their investments.

Unidankmark has reported a sharp drop in loan losses reflecting the turnaround in asset quality," said Anik Sen, a banking analyst at SBC Warburg. "We are optimistic on the development of the life, pension and asset management businesses of Deo Danske Bank and we have both stocks on a buy."

Den Danske Bank's shares dropped to 710 kroner from 715, but Unidankmark stock jumped 15 to 455 kroner.

Provisions and charges for bad debts at Deo Danske Bank fell 38 percent, to 213 million kroner, while Unidankmark's fell 55 percent to 245 million kroner, a "historically low level," Unidankmark said.

Profits from price adjustments, investments in securities, currencies and other investments for Den Danske bank almost doubled, to 1.049 billion kroner from 585 million kroner a year ago. Unidankmark's investment profits rose more than threefold to 1.079 billion kroner from 354 million kroner. Danish accounting laws require companies to calculate realized and unrealized gains on their investments on the last day of the accounting period.

Knud Soerensen, Den Danske Bank's director, said the first-half results were very satisfactory, but said that it would not be so easy to keep up the high returns if loan loss provisions begin to rise from their current low levels.

Some analysts warned that the banks' results could be more core earnings (Bloomberg, Reuters)

VIAG Earnings Get 28% Boost from Takeovers

Compiled by Our Staff From Dispatches

MUNICH — VIAG AG's stock price rose 5 percent Thursday after the German utility said first-half pretax profit rose 28 percent, to 1.504 billion Deutsche marks (\$811.9 million), helped by acquisitions and one-time gains.

Like Germany's other large utilities, VIAG has not been able to rely on energy sales to increase earnings significantly this year because of milder weather and lower prices. Instead, VIAG profited from cost-

cutting at its Bayernwerk energy unit and from one-time gains from recent acquisitions and the sale of several activities.

VIAG's first-half sales rose 12 percent, to 23.76 billion DM from the year-earlier period, as the company consolidated acquisitions. Not including acquisitions, sales rose 7 percent. One-time gains of about 300 million DM lifted first-half profit, the company said.

VIAG's shares rose 40 DM, to close at 818 DM in Frankfurt.

For the full year, operating profit will rise "about" 10 percent in 1997 from 2.4 billion DM last year, Chief Executive Georg Obermeier said.

Sales will reach 50 billion DM, an 18 percent increase from 42.5 billion in 1996.

VIAG sold its 50 percent stake in Thyssen AG to RWE AG in exchange for a 25 percent stake in Isarwerke GmbH, a Munich electricity supplier. The company also profited from the sale of Schmalbach-Lubeca AG's metal-pack-

aging activities. VIAG also bought a majority stake in Goldschmidt AG, a chemicals maker.

Mr. Obermeier said the company's telecommunications venture was proceeding according to plan.

VIAG is working with British Telecommunications PLC and Telenor A/S of Norway in the VIAG Interkom joint venture and is building its network to take part in the deregulation of the German market — set for Jan. 1 — by next summer. (Bloomberg, AFP, Reuters)

Investor's Europe			
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	
4500	5200	3200	
4200	5000	3100	
3900	4800	2900	
3600	4600	2800	
3300	4400	2600	
3000	4200	2500	
1997	1997	1997	
Exchange Index	Thursday Close	Friday Close	% Change
Amsterdam AEX	580.25	578.72	-0.26
Brussels BEL 20	2,450.50	2,422.40	-0.12
Frankfurt DAX	4,553.57	4,522.43	-0.72
Colnaghen Stock Market	637.14	632.63	-0.68
Helsinki HEX Helsinki	3,537.78	3,538.22	+0.04
Oslo OSE	889.27	889.25	-0.01
London FTSE 100	4,978.05	4,958.40	-0.39
Madrid Stock Exchange	589.55	588.50	-0.18
Milan MIBTEL	14,067	14,050	-0.12
Paris CAC 40	2,957.28	2,937.87	-0.74
Stockholm OMX	2,080.05	2,080.05	0.00
Vienna ATX	1,388.21	1,388.21	0.00
Zurich SPI	3,640.75	3,640.75	0.00

Source: Reuters International Herald Tribune

Very briefly:

- Deutsche Lufthansa AG said it had settled its legal dispute with Modifit of India and would engage in no further dealings with its former joint venture partner "above those deemed normal in the industry."
- Marks & Spencer PLC plans to take over three department stores in Germany next year, following the success of its Cologne outlet, and work toward having 10 stores by 2000.
- Compaq Computer Corp. is forming Compaq Capital Europe LLC with AT&T Capital Corp. to provide financing for equipment leases to European business customers.
- Chevron Corp. is closing its only European refinery and selling its 450 gas stations as it pulls out of the British downstream oil sector by the end of the year.
- Britain's economy grew 0.9 percent in the second quarter over the like quarter of 1996, resulting in an annual growth rate of 3.4 percent, the second of three official estimates showed.
- MAID PLC said it was close to acquiring Knight-Ridder Information Inc., which could expand the reach of the British on-line business information provider.
- Boosey & Hawkes PLC said Carl Fischer Inc., which owns 38 percent of the British music publisher and instrument maker, was still holding talks on selling itself. A buyer in such a sale would be required to make a full bid for Boosey & Hawkes.
- Royal Bank of Scotland NV's first-half net profit rose 22 percent over the first half of last year, to 33.5 million guilders (\$16 million). The world's largest dredging company said profit for the year would increase by at least 20 percent.
- Canal Plus SA is likely to bid on a film catalogue being sold by Consortium de Realisation, a unit of Credit Lyonnais, according to a film industry source.
- Marieberg Tidnings AB's first-half net profit rose to 857 million kronor (\$106 million) from 52 million kronor, as the top Swedish publisher took a 900-million-krona one-time gain from selling half of its DnB unit. (Bloomberg, Reuters, AFP)

WORLD STOCK MARKETS

Thursday, Aug. 21

Prices in local currencies.

High Low Close Prev.

Amsterdam AEX index: 580.25

Prev.: 578.72

Amst. 46.00 45.40 45.10

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S&P Lowers Outlook For 5 Malaysian and Indonesian Banks

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Standard & Poor's Corp. downgraded its credit-rating outlook Thursday for five of the largest banks in Malaysia and Indonesia, warning that a slump in the countries' currencies could trigger an increase in bad debt.

The move — only three days after the American company cut its outlook for Malaysian sovereign debt — comes amid mounting concern that increased interest rates in the countries will slow economic growth and erode bank profits.

"It's like there's no faith left," said Angie Ang, bank analyst at Caspian Research (Malaysia) Sdn. "S&P's cut is a reflection of their concern about our economy."

The Indonesian rupiah and the Malaysian ringgit have plunged against the dollar, and investors have sold shares of companies in Jakarta and Kuala Lumpur in recent months amid concerns that the countries' problems resemble those of

Thailand, whose banking system has shuddered under the weight of bad debt involving the property market.

The dollar was at 2,705 rupiah on Thursday, up from 2,751.30 on Wednesday and 2,600 on Aug. 1, and at 2,753 ringgit, down from 2,775 on Wednesday but up from 2,636 at the start of the month.

The rupiah was floated Aug. 14, and the dollar reached a record high of 3,035 rupiah on Tuesday before retreating after the central bank dramatically raised interest rates.

S&P cut its outlook to "negative" from "stable" for Malaysian Banking Bhd., the largest bank in Malaysia, and Arab-Malaysian Merchant Bank Bhd. In Indonesia, it did the same for PT Bank Negara Indonesia, PT Bank Danamon and PT Bank Umum Nasional.

The actual credit ratings of the five banks are unchanged, S&P said. But it said it was concerned that further drops in the value of the rupiah or the ringgit might force banks to shoulder unhedged foreign loans taken out by their customers.

Malaysia has also ratcheted up interest rates in its defense of the ringgit, which has been floated. The higher rates in both countries, S&P said, will lead to a slowing from the "breakneck pace of economic growth in the past decade and could result in a credit crunch in the real estate industry."

"S&P is sounding to investors that both economies are going to slow inevitably and they have to be more cautious," said Alfred Ho of Invesco Asia Ltd. "This is a precautionary move."

Malaysian stocks fell Thursday; the benchmark Composite index of 100 stocks finished down 20.33 points at 909.24.

Malayan Banking fell 2 ringgit to 22. AMMB Holdings Bhd., which owns Arab-Malaysian, fell 80 sen to 12 ringgit.

But stocks rose in Jakarta as the government's plan to abolish monopolies on key commodities sparked optimism that the economy would be made more efficient. The Stock Market Composite index gained 9.89 points to 603.06.

Meanwhile, S&P said it would not decide for about six weeks whether to confirm or downgrade its rating on Thai sovereign debt. On Aug. 1, it put Thailand's "A" long-term foreign credit rating on review for a possible downgrade.

S&P analysts just completed a visit to Thailand to gather fresh data, the company said, and are analyzing the information.

The credit review was to be completed by the end of August. (Bloomberg, AFP, Reuters)

■ Jakarta Threatens Traders

Justice Minister Utoyo Usman of Indonesia has said that charges of subversion, which carry a maximum penalty of death, could be applied to currency speculators, the official Antara news agency said Thursday. Reuters reported from Jakarta.

"If indeed they cause disorder in the national economy, of course, it can be categorized as a subversive criminal action because economic criminal acts are included in the formulation of that law," Mr. Usman was quoted as saying.

Human rights groups have strongly criticized Indonesia's 1963 subversion law as too broad.



A CRACK AT THE CONSTITUTION? — A gas-station attendant in Bangkok offering a customer the choice of two free eggs or a copy of Thailand's new constitution in exchange for a purchase of gasoline Thursday. With an economic crisis raging, most customers chose the eggs.

Australian Miner Bids for Gold

Great Central Unexpectedly Seeks 2 Smaller Companies

Compiled by Our Staff From Dispatches

SYDNEY — Joseph Gutnick, the Australian entrepreneur whose Great Central Mines Ltd. has been the subject of recent takeover speculation, launched unexpected bids on Thursday for two smaller mining companies, bankrolled in part by the far larger Normandy Mining Ltd.

Mr. Gutnick said that Great Central was bidding to buy Wiluna Mines Ltd. and Eagle Mining Ltd. for a total of 333.6 million Australian dollars (\$247.7 million).

Great Central would be buying Wiluna shares at 65 cents each. Mr. Gutnick said, valuing the Western Australian gold mine at about 104.9 million dollars. The company was buying Eagle Mining shares at 3.00 dollars each, valuing the company at 228.7 million dollars.

Great Central raised 62 million dollars by issuing shares to Normandy, while Normandy would lend it as much as 155 million dollars. This could see Normandy, Australia's largest miner of gold, emerge with as much as 25 percent of Great Central.

Wiluna and Eagle each own a gold mine near Great Central's gold

operations in the eastern goldfields of Western Australia state.

"Potentially it is not such a stupid move," said Neil Boyd-Clarke, who helps manage 5.6 billion dollars at Norwicks Australia Investment Management. He said that for Normandy "there could well be a lot of upside."

Eagle Mining's shares surged 19 percent, 50 cents, to 3.20 dollars, while Wiluna's shares rose 16 percent, 11 cents, to 68 cents. Great Central's share prices rose 5 cents to 2.53 dollars, while Normandy's share prices closed, unchanged at 1.63 dollars.

Normandy Mining said Thursday that it had no immediate plans to buy out Great Central Mining. It saw its backing for Great Central's bids for Eagle Mining and Wiluna Mines as a partnership rather than a launch pad for a takeover of its own.

Colin Jackson, Normandy's corporate general manager, said that Normandy's stake in Great Central would not stop Barrick Gold Corp. nor Placer Dome Inc., North American companies, from bidding for Great Central.

Mr. Gutnick said that Normandy's chairman, Robert Champion de Crespigny, would join the Great Central board.

Great Central's share price rose last month on market speculation that Barrick Gold of Canada would launch a cash bid for Mr. Gutnick's company. (Reuters, Bloomberg)

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Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
17000	2275	22000
16000	2125	21000
15000	2050	20000
14000	1975	19000
13000	1900	18000
12000	1825	17000
11000	1750	16000
10000	1675	15000
9000	1600	14000
8000	1525	13000
7000	1450	12000
6000	1375	11000
5000	1300	10000
4000	1225	9000
3000	1150	8000
2000	1075	7000
1000	1000	6000
0	925	5000
	850	4000
	775	3000
	700	2000
	625	1000
	550	0
	475	
	400	
	325	
	250	
	175	
	100	
	25	
	0	

Source: Reuters

Very briefly:

• Japan's government auctioned 700,000 shares of Central Japan Railway Co., which operates the Tokyo-to-Osaka bullet train, for an average of 358.771 yen (\$3.026) a share.

• Japan and China said they would hold talks in Tokyo on China's bid for membership of the World Trade Organization, focusing on reducing China's tariffs, scrapping non-tariff barriers, such as import bans and liberalizing services.

• PT Matahari Putra Prima share prices fell 19 percent to 2,525 rupiah (89 cents) after Indonesia's largest retailer cut 1997 profit forecasts by 43 percent because of the decline in the rupiah.

• Texas Instruments-Acer Inc., a Taiwan computer chip-maker, posted a loss of 667 million Taiwan dollars (\$23.2 million) for the six months to June as prices dropped for dynamic random-access memory chips.

• Keppel Corp., a Singapore ship repair, property and banking company, posted a 2.1 percent gain in first-half profit to 102.2 million Singapore dollars (\$68 million) from the year-ago period, helped by increased profitability from Keppel Bank and Keppel Land.

• Telstra Corp., Australia's telecommunications carrier, announced that Ziggy Switkowski, the former boss of its rival Optus Communications Pty., had joined the company to lead Telstra's Business and International unit.

• Toshiba Corp. said it would start mass production in September of digital videodisk read-only memory drives for notebook-type personal computers and would launch two sample models of DVD random-access memory drives.

• Indonesia announced a crackdown on illegal imports of video compact disks after claims that more than 90 percent of the disks sold in Indonesia were pirated versions of films from Hong Kong, Japan and the United States.

• Vietnam's State Securities Commission, regulator of the planned stock exchange, will present plans of the exchange's organization and operating structure on Monday.

Bloomberg, AP, AFP, AP

Seoul Taps Reserves to Protect Won

Compiled by Our Staff From Dispatches

SEOUL — South Korea rushed to thwart attacks on its currency Thursday, officials said, dipping further into its foreign-currency reserves.

The Finance Ministry also pledged special measures to ensure a sufficient supply of foreign currency to troubled banks as the market remained nervous over the won's sudden depreciation, ministry officials said.

The dollar rose to 898.8 won on Thursday, from 893.0 on Wednesday. It began the week at 890.5 won.

Traders say Seoul spent up to \$1 billion in reserves on Tuesday alone to defend the won.

Officials dismissed fears of a currency crisis, saying that Seoul had ample foreign currency reserves and citing its shrinking current-account deficit.

South Korea's foreign currency holdings are estimated at \$33.7 billion, and the Finance Ministry said Thursday it would increase the reserve to at least \$36 billion by the end of the year. (AFP, Bridge News)

■ Pace of Change Faulted

Trade Minister Lim Chang Yuel blamed delayed corporate restructuring for aggravating South Korea's economic woes. Agence France-Presse reported. He urged companies to enhance competitiveness by terminating unprofitable businesses, reducing debts and making management more efficient.

Despite noting fears among South Koreans that the nation is losing "many things" in re-vamping its industries, Mr. Lim said the government would accelerate deregulation and push for change in "financing, manpower and other factors that have caused high costs and low efficiency."

Overseas Sales Lift Honda's Profit

Compiled by Our Staff From Dispatches

TOKYO — Honda Motor Co. said Thursday that brisk sales of cars and motorcycles in North America and Europe helped raise its net profit by 36 percent to 62.25 billion yen (\$521.1 million) in the quarter ended June 30.

Cost-cutting efforts and the weakness of the yen against the dollar also contributed to profit, Honda said.

"Vehicle sales were steady in the first quarter, led by sales in North America and Europe," Honda said. The first-quarter figures came after net profit more than tripled to a record 221.17 billion yen in the previous year, which ended in March 1997.

Honda used a dollar rate of 121 yen to calculate its results, compared with 105 yen in the year-

earlier quarter.

Honda's overall sales, which include cars, motorcycles and power products, grew 15 percent from the year-earlier quarter to 1.42 trillion yen. Of the total, sales of vehicles alone rose 14 percent, to 1.11 trillion yen, the company said.

The weaker yen, which makes Japanese products more competitive abroad, lifted Honda's group sales in North America by nearly 33 percent and in Europe by 25 percent on a year-on-year basis.

Strong overseas sales helped offset the negative impact of weak sales at home, where consumers tightened their purse strings after an increase in the national sales tax in April to 5 percent from 3 percent.

Honda said that its domestic sales

slumped 6.1 percent in the first quarter, to 418.07 billion yen.

But a Honda executive said the company was maintaining its domestic sales target of 800,000 cars for the year.

Bnt analysts said things could get tough in Japan, where the market was expected to shrink this year.

"Their exports have been huge," said Fuyuki Fujiwara, auto analyst at BZW Securities (Japan) Ltd. "That's been a huge plus for them. The primary concern is what is happening in the domestic market."

Separately, Honda recalled all 65,782 Logo mini-passenger cars in Japan, saying their brake systems could fail because of a defect that causes brake-fluid leaks.

(Reuters, Bloomberg, AP)

U.S. Set to Impose Penalties on NEC

Compiled by Our Staff From Dispatches

TOKYO — The United States is likely to slap stiff duties on supercomputers made by NEC Corp. after finding it sold machines in the America at prices so low that they violated an international agreement, an executive of the Japanese electronics company said Thursday.

NEC said the penalties could force it to give up selling supercomputers in the United States.

The Commerce Department is expected to impose a tariff of 454 percent on NEC supercomputer sales in the United States, said NEC's executive adviser, Yukio Mizuno.

The department, reacting to a complaint by NEC's rival, Cray Research Inc., was to announce the penalties later Thursday, NEC said. The Japanese company said it would continue to appeal.

NEC appealed unsuccessfully to the U.S. Court of International Trade, based in New York, to block the tariff. It was the first time the court examined the propriety of a Commerce Department investiga-

tion. Had it ruled in NEC's favor, it could have ordered special oversight of the investigation or could have asked the department not to hear the matter at all.

The court turned down the request Wednesday, NEC said. NEC shares fell 30 yen to 1,570 (\$13.24).

The United States could also impose a 400 percent tariff on supercomputers made by Fujitsu Ltd., the world's fourth-largest computer maker, if the International Trade Commission ruled that it sold supercomputers in America at unfairly low prices, Nikkei English News reported.

"We haven't sold very many supercomputers in the U.S. market, so it wouldn't hurt us very much," said a Fujitsu spokeswoman, Yuri Momomoto. "I think it's American consumers who will be hurt the most."

Fujitsu shares were unchanged at 1,630 yen.

In a preliminary ruling in March, the Commerce Department said NEC violated anti-dumping regu-

lations by trying to sell four supercomputers to the U.S. government for less than the cost of one.

Cray Research Inc. filed a complaint with the U.S. government in July 1996 after NEC won a contract from the National Center for Atmospheric Research in Boulder, Colorado, for weather-forecasting computers. The center is an affiliate of the federally funded National Science Foundation.

Cray said the \$35 million price tag on NEC's computers was less than one-fourth of their fair value. NEC said the price was not only greater than the cost of manufacturing the machines but that it included a profit margin. The dispute centered on how much of the computers' development costs should be factored into their price.

The dumping duties will become permanent if the International Trade Commission determines NEC's action hurt U.S. companies. The agency is expected to announce its final ruling in early October.

(AP, Bloomberg, AFP)

Japanese Data Indicate Slow Economic Recovery

Bloomberg News

TOKYO — A closely watched economic indicator released Thursday indicated that a sluggish recovery in consumer spending and capital investment after higher taxes would continue into the fourth quarter, the Economic Planning Agency said.

The so-called diffusion index of indicators for June was 35.0, down from a revised 50.0 in May, the government said. June was the sixth straight month the index had remained at or below the boom-bust line of 50, a record for the current recovery, which started in November 1993.

The agency said Japan's economy was continuing to recover, and few economists thought a recession was in the offing, yet many questioned the government's claim that the post-tax slowdown was temporary.

"We'll just about avoid a recession this time, but the economy will certainly remain weak through the end of the year," said Richard Jerram, economist at ING Barings Securities (Japan) Ltd.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press

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WORLD ROUNDUP



England batsman Mark Butcher hitting the ball on his wicket against Glenn McGrath.

English Crumble

CRICKET Glen McGrath, an Australian pace bowler, took seven wickets for 76 runs Thursday as England was all out for 180 on the first day of the sixth and final test at The Oval in London. Alec Stewart was top scorer for England with 36. Australia reached 77 for two wickets by the close. (Reuters)

Karlsruhe Must Replay

SOCCER The German soccer federation Thursday ordered a first division match between Munich 1860 and Karlsruhe replayed because of a disputed refereeing decision. 1860 had complained about Karlsruhe's 87th minute equalizer in the 2-2 draw on Aug. 5. It said the goal should not have been allowed because Michael Malbranc, the referee, had already blown his whistle for a foul.

Anderlecht said Thursday it would not challenge its 2-0 defeat by Brussels neighbor RWD Molenbeek which made too many substitutions in a Belgian league game last Saturday.

"We wanted to make a sporting gesture. Anderlecht did not deserve the three points," said Robert De Pot, Anderlecht's deputy manager. Molenbeek made a fourth substitution two minutes from time. Anderlecht said it would have been awarded the game 5-0 if they had pursued the case. (Reuters)

England Seeks Coach

RUGBY UNION Bob Dwyer, the former Australia coach, and Richard Hill, who coaches the Gloucester club, on Thursday said they were among those who do not want to coach the England team.

Dwyer said he was approached earlier this year by the Rugby Football Union. The RFU had talked to several coaches but was apparently caught by surprise when Jack Rowell, the man it was seeking to replace as national coach, resigned Wednesday. (Reuters, AFP)



HEAD START — Australian swimmers Michael Klim, top, and Susie O'Neill modeling the "Speedmask" which, its maker says, reduces drag from the eye sockets by 53 percent.

Portugal Keeps Cup Dreams Alive

Reuters
Portugal kept alive its hopes of reaching next year's World Cup finals with a 3-1 victory over Armenia in a European Group 9 qualifying match in Setubal.

The Portuguese dominated Wednesday's at-home match and squandered a number of easy chances to add to their tally in the second half.

But victories for group rivals Ukraine and Germany left the Portuguese in third place in the group. Only the nine European group winners and the best second-place team qualify automatically for the finals in France. The eight other group runners up will then compete for four more places in France.

Portugal scored after 22 minutes, when Domingos Oliveira, unmarked close to the goal, tapped the ball home.

Luis Figo scored a second goal eight minutes later with a dipping shot from just outside the penalty area.

Eric Assadourian scored for Armenia in the first minute of the second half. But Pedro Barbosa made the game safe in the 54th minute when he intercepted a poor back pass to score from close range.

Portugal is level on points with Germany, two points behind Ukraine. But the Germans have a better goal average and have played one less game than Portugal. The two countries play in Germany on Sept. 6.

In Belfast, Germany trailed Northern Ireland with time running out — but Oliver Bierhoff, a substitute, scored three times in six minutes to earn a 3-1 victory.

Ukraine, the group leader, needed a goal three minutes from time by Serhiy Rebrov to beat Albania.

When Ireland and Lithuania drew 0-0 in Dublin in Group 8 they decided the first European qualifier for the finals:

EUROPEAN SOCCER

Romania. Romania had beaten second-place Macedonia 4-2 in Bucharest earlier in the evening, its seventh victory in seven qualifying matches.

Ireland and Lithuania have both played one less game than Macedonia, either could have drawn level Macedonia with a victory. Now none of the three can catch Romania.

Elvir Bolic converted two penalties to give Bosnia a surprise 3-0 victory over previously unbeaten Denmark, the Group 1 leader, in Sarajevo. Bosnia cannot qualify for the finals but dealt a blow to Denmark's chances of going.

Edin Mujcin opened the scoring in the 18th minute. The spot kicks were awarded after skipper Meho Kodro was twice fouled. The Danes beat the group but still have to play Greece and Croatia.

Sweden scored twice in the last 15 minutes to beat Belarus 2-1 in Minsk in Group 4. Per Zetterberg scored the winner in the 85th minute. The home team, already out of contention for the finals in France next year, took the lead when Sergei Gurenko beat Thomas Ravelli from close range in the 38th minute. Kenneth Andersson, a second-half substitute, equalized.

Sweden remains third in the group, two points behind Scotland, which has played a game more, and one point behind Austria. Anton Polster scored a second-half hat trick as Austria beat Estonia 3-0.

Norway, the Group 3 leader, crushed its closest challenger, Finland, 4-0 in Helsinki to tighten its grip on the group. Hungary and Switzerland drew 1-1 in Budapest, leaving Norway six points clear. Even if its rivals do not slip up, Norway needs only to win in Azerbaijan on Sept. 6 or to draw at home with Switzerland four days later in its last match to win the group.

Turkey kept alive its slim chances in Group 7 by beating Wales 6-4 in a remarkable game in Istanbul. Hakan Sukur scored four goals.

Lyuboslav Penev hit the only goal after 69 minutes in Sofia to take Bulgaria country to the top of Group 5 and end Israel's hopes of qualifying.

For 4 Teams, World Cup Draws Nearer

Reuters
RIO DE JANEIRO — Peru, Uruguay and Ecuador revived their chances of a place at next year's World Cup with precious victories in qualifying matches on Wednesday, while Colombia virtually assured itself of a place in France.

Argentina and Paraguay look likely to join Colombia, which beat Bolivia 3-0, but the race for the last of South America's qualifying places in next

year's World Cup was thrown open by Uruguay's 1-0 victory over Chile.

The gap between fourth-placed Chile and eighth-placed Uruguay was reduced

SOUTH AMERICAN SOCCER

to two points as three teams in the lower half of the table won.

In addition to Uruguay, Peru won, 3-0, in Venezuela, the bottom team, while

Ecuador came from behind to win, 2-1, against Paraguay, which could have gone top of the single South American group if they had won in Quito.

Argentina, which had the night off, still tops the table with 25 points, followed by Colombia with 24 and Paraguay with 23. Chile and Peru have 19, Ecuador 18, Bolivia and Uruguay 17 and hapless Venezuela just 3.

Each team has three games left, apart from Colombia, Ecuador and Venezuela, which have only two.

Argentina and Colombia are both one victory away from qualifying to go to France and as Colombia's next game is at home to Venezuela, it appears strongly placed.

A spectacular volley by Marcelo Otero gave new life to two-time world champion Uruguay, which has employed three different coaches during qualifying and depended heavily on 35-year-old veteran Enzo Francescoli in an erratic campaign. Chile was missing the injured striker Ivan Zamorano.

In Venezuela, the heat in the town of Barinas, on the edge of the Orinoco basin, did not prevent Peru gaining a comfortable victory after Manuel Murgueta had given them a 14th-minute lead. The Brazilian-born striker Julinho and substitute Flavio Maestri added second-half goals for Peru, which had four goals disallowed and were defied on several other occasions by goalkeeper Dudamel.

In Barranquilla, a first-minute strike by Antony de Avila, a penalty by the veteran captain Carlos Valderrama and a header that was Faustino Asprilla's first international goal in a year gave Colombia victory.



Alexander Popov, winner of the 100-meter freestyle event in the European championships in Seville, diving at the start of his heat Thursday.

Popov Marks Comeback With Top-Speed Victory

Year After Stabbing, He Grabs 100 Freestyle

By David J. Phillip

SEVILLE, Spain — Alexander Popov, stabbed in the abdomen on a Moscow street a year ago, celebrated a triumphant return to top competition on Thursday with a commanding victory in the men's 100-meter freestyle event in the European Swimming Championships.

It was his fourth consecutive European championship victory in the event since he won his first major international title in Athens in 1991.

Popov won in 49.09, the fastest time in the world this year — beating the mark set by Michael Klim, Popov's Australian training partner, who was clocked in 49.15 two weeks ago.

Lars Forlander of Sweden was second in 49.51.

It was Popov's first big race since he was stabbed by a watermelon vendor just weeks after winning two Olympic gold medals in Atlanta.

"I wasn't very happy with my time in the heats this morning, but I'm amazed at my speed this afternoon, especially in the last 50," Popov said. "When I saw

the time I said 'Wow!'. This is a real renaissance."

Dagmar Hase of Germany, the silver medalist behind Michelle de Bruin — the former Michelle Smith — in Atlanta, took her revenge in the women's 400-meter freestyle to stop de Bruin's bid for five individual gold medals.

De Bruin had already won the 200-meter freestyle and 400-meter individual medley.

Hase, 27, the 1992 Olympic champion in the 400 freestyle, won in 4 minutes 9.52 seconds. She pulled past de Bruin in the final 100 meters after swimming just behind the Irish woman for the first 300. Smith finished in 4:10.50.

"I think the three races is three days wore me down a little," said the Irish swimmer. "Otherwise I think I would have been there in the end."

De Bruin, 27, still has a chance to match the record of four individual golds shared by East Germany's Ute Geweniger in 1981 and Hungary's Krisztina Egervázi in 1993.

Skeptical Buenos Aires Awaits Word on Its Olympic Bid

By Anthony Faiola
Washington Post Service

BUENOS AIRES — A banner bearing a majestic blue bird in full flight, the five Olympic rings floating underneath it, waves proudly over the major thoroughfares in this metropolis. It is the symbol of Olympic spirit, and of local optimism in bringing the Olympic Games to the land of the brooding gaucho.

"Oh, please," says Maria Caunedo, a 17-year-old student passing through Recoleta Park, waving a hand dismissively at the city's Olympic bird. Roughly translated, her response: "I'll believe it when I see it."

Pity the poor *Portenos*, as the residents of this city are called. Indeed, their city holds the dubious title of unsuccessfully bidding for the Olympics more times than any other city in the world. Four times this place has entered. And four times, that Olympic bird has laid an egg.

It is enough to make anyone a bit pessimistic — and random interviews on the streets indicated a big dose of local skepticism at the city's chances of being the winner when the International Olympic Committee announces the site of the 2004 Games on Sept. 5. The attitude is totally Argentine. This is

a culture that traditionally revels in negativity.

This time Buenos Aires has made the final five. The arguments in favor of sending the world's athletes down to the Western Hemisphere's southernmost capital are actually quite strong, said Mario Enrique Frigerio, who heads the Buenos Aires Department of Industry, Commerce and Tourism, spearheading the Olympic bid.

Argentina was one of the founders of the International Olympic Committee in 1894. It is the only one of the original members that has yet to host the Olympics, say Argentine officials. No South American country has ever hosted the Games.

Of all the cities in the region, Buenos Aires is in many ways the most obvious to host the Olympics. It is the safest major Latin American city, claiming a crime rate in the lowest 20 percent of world cities. It also has been undergoing an economic renaissance over the last two years, spurred by economic reforms and privatization.

"No other city can offer what we can," Frigerio said.

The logistics of Buenos Aires' proposal appear sound. With a population of 12.5 million, it is the largest metropolis among the finalists, the city also possesses an enormous amount of existing arena space. Almost 75 percent of the stadiums and sites

needed to host the Games are already built, including the 60,000-seat River Plate Stadium, site of the 1978 World Cup final. The plan is to add 5,000 seats in time to dub it the new Olympic stadium. Only a few other major arenas need to be built, among them a 12,000-seat basketball stadium.

Arenas for 24 of the 38 Olympic sports are within a five-mile radius, nestled near a band of attractive green park land that straddles the edge of the Rio de la Plata.

"If you had all the Olympic athletes and spectators hold hands, they could form a ring around the area where we are proposing to host the Games," said Roberto Egua, press spokesman for the Buenos Aires Olympic Committee.

Buenos Aires, known for its Old World elegance and grand European-style architecture, also possesses a relatively complete, if not new, rapid transportation system. A new subway line, planned for completion before the 2004 Games, would assist in shuttling visitors and athletes to their destinations. Six billion dollars in infrastructure improvements to the airport, highways, and telephone communication systems are also planned before the Games.

But not everything is perfect. The organizers could be better organized. Several officials did not

know, for instance, the details of their own financing plan to bring the Olympics to Buenos Aires.

The government has guaranteed the estimated \$1.28 billion cost of the Games, but they are hoping that only \$168 million of that will come from national and local government subsidies. The bulk of the money is expected to come from television rights, which the Argentines hope will be especially lucrative since Buenos Aires is only one hour ahead of eastern standard time.

Private companies and entrepreneurs also are helping Buenos Aires promote its Olympic bid. George Soros, the billionaire who is one of the largest foreign investors in Argentina, is offering to put up a "substantial amount" toward the construction of the Olympic Village. Egua said. But there are drawbacks. There is, for instance, the question of cost. Lodging and restaurants here, though of top quality, are extremely expensive. And that's once you get here — which isn't quick or inexpensive.

Even though the International Olympic Committee awarded the 1992 games to Seoul and the 2000 Olympics to Sydney, the Argentines fear that the distance from major western capitals, and a perceived Eurocentric attitude by the IOC, will count against Buenos Aires.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

TEAM	W	L	Pct.	GB
American League				
East Division				
Baltimore	79	44	.642	
New York	73	50	.593	6
Boston	64	63	.504	17
Toronto	60	65	.480	22
Detroit	58	67	.464	24
Central Division				
Cleveland	65	58	.528	
Minnesota	62	61	.508	3
Chicago	62	64	.492	4
St. Louis	57	71	.443	13
Kansas City	52	77	.404	21
West Division				
Seattle	70	54	.566	
Anaheim	69	58	.543	1
Texas	60	67	.472	10
Oakland	50	77	.394	20
National League				
East Division				
Atlanta	78	49	.614	
Florida	73	52	.584	5
New York	67	64	.512	13
Montreal	61	63	.492	18
Philadelphia	45	77	.369	30
Central Division				
Houston	66	60	.524	
Pittsburgh	63	63	.500	3
St. Louis	58	67	.464	7
Cincinnati	55	69	.443	10
Chicago	50	77	.394	16
West Division				
San Francisco	71	50	.589	

WEDNESDAY'S HIGHLIGHTS

TEAM	W	L	Pct.	GB
American League				
East Division				
Baltimore	100	100	1.000	0
New York	100	100	1.000	0
Boston	100	100	1.000	0
Toronto	100	100	1.000	0
Detroit	100	100	1.000	0
Central Division				
Cleveland	100	100	1.000	0
Minnesota	100	100	1.000	0
Chicago	100	100	1.000	0
St. Louis	100	100	1.000	0
Kansas City	100	100	1.000	0
West Division				
Seattle	100	100	1.000	0
Anaheim	100	100	1.000	0
Texas	100	100	1.000	0
Oakland	100	100	1.000	0
National League				
East Division				
Atlanta	100	100	1.000	0
Florida	100	100	1.000	0
New York	100	100	1.000	0
Montreal	100	100	1.000	0
Philadelphia	100	100	1.000	0
Central Division				
Houston	100	100	1.000	0
Pittsburgh	100	100	1.000	0
St. Louis	100	100	1.000	0
Cincinnati	100	100	1.000	0
Chicago	100	100	1.000	0
West Division				
San Francisco	100	100	1.000	0

BASEBALL

TEAM	W	L	Pct.	GB
American League				
East Division				
Baltimore	100	100	1.000	0
New York	100	100	1.000	0
Boston	100	100	1.000	0
Toronto	100	100	1.000	0
Detroit	100	100	1.000	0
Central Division				
Cleveland	100	100	1.000	0
Minnesota	100	100	1.000	0
Chicago	100	100	1.000	0
St. Louis	100	100	1.000	0
Kansas City	100	100	1.000	0
West Division				
Seattle	100	100	1.000	0
Anaheim	100	100	1.000	0
Texas	100	100	1.000	0
Oakland	100	100	1.000	0
National League				
East Division				
Atlanta	100	100	1.000	0
Florida	100	100	1.000	0
New York	100	100	1.000	0
Montreal	100	100	1.000	0
Philadelphia	100	100	1.000	0
Central Division				
Houston	100	100	1.000	0
Pittsburgh	100	100	1.000	0
St. Louis	100	100	1.000	0
Cincinnati	100	100	1.000	0
Chicago	100	100	1.000	0
West Division				
San Francisco	100	100	1.000	0

BASEBALL

TEAM	W	L	Pct.	GB
American League				
East Division				
Baltimore	100	100	1.000	0
New York	100	100	1.000	0
Boston	100	100	1.000	0
Toronto	100	100	1.000	0
Detroit	100	100	1.000	0
Central Division				
Cleveland	100	100	1.000	0
Minnesota	100	100	1.000	0
Chicago	100	100	1.000	0
St. Louis	100	100	1.000	0
Kansas City	100	100	1.000	0
West Division				
Seattle	100	100	1.000	0
Anaheim	100	100	1.000	0
Texas	100	100	1.000	0
Oakland	100	100	1.000	0
National League				
East Division				
Atlanta	100	100	1.000	0
Florida	100	100	1.000	0
New York	100	100	1.000	0
Montreal	100	100	1.000	0
Philadelphia	100	100	1.000	0
Central Division				
Houston	100	100	1.000	0
Pittsburgh	100	100	1.000	0
St. Louis	100	100	1.000	0
Cincinnati	100	100	1.000	0
Chicago	100	100	1.000	0
West Division				
San Francisco	100	100	1.000	0

BASEBALL

thorne—Signed T. Terry Mills.

NATIONAL FOOTBALL LEAGUE

NFL—Finland Carolina Panther LB Lamar Lathan \$50,000 for the face mask of Kansas City quarterback Rickey Cotton.

HOCKEY

NATIONAL HOCKEY LEAGUE

Calgary—Signed D. Pascal Tremblay and F. Jozson Samson.

NEW YORK ISLANDERS—Signed Brad McCrimmon, a defenseman.

NEW YORK RANGERS—Signed D. Dale Plante. Agreed to terms with D. Alexei Vassiliev.

NATIONAL PLAYOFFS

Calgary—Signed D. Pascal Tremblay and F. Jozson Samson.

PHILADELPHIA—Acquired C Chris Gorman from the Tampa Bay Lightning for four 1st round picks and one second round pick for F. Mike Bernier and D. Chris Chynoweth.

Pittsburgh—Signed D. John Slaney for 1 year.

PITTSBURGH—Announced agreement to place players with Vancouver Canucks in the National Hockey League affiliate, the Syracuse Crunch.

San Jose—Acquired G Mike Vernon from the Los Angeles Kings for 1999 second-round draft pick and conditional 1999 third-round draft pick. Signed Vernon to a 2-year contract.

St. Louis—Agreed to terms with C Adam Oates on a 1-year contract.

WASHINGTON—Agreed to terms with C Adam Oates on a 1-year contract.

WISCONSIN STATE—Signed D. Scott

SPORTS

He's the Best in Football And Nobody Knows Him

By Chris Dufresne
Los Angeles Times Service

HUNTINGTON, West Virginia — You sense that the best player in college football is not in this for the fight songs and alumni weekends.

The truth is, he does not want to be here: in this state, at this university, at this interview.

Best years of his life?

"No," he says, sitting at a desk wearing a Florida State T-shirt. "There's nothing here for me."

The 20-year-old phenom — once recruited by Notre Dame and Florida State — now practices in a railroad town on a field across the street from "Huntington Hose and Hydraulics."

The best player in college football once kicked a teen-ager in the stomach as he lay helpless on the ground.

"It was just like my temper took over," he recounts, "like I was another person."

The best player once smoked pot and did jail time.

He remembers nights by himself in his cell, thinking "how much hate I have for people," and how "the hate's always going to be there, just for the fact that people can't let a person be their own person and go on. I think people just want to see me fail."

The best player has two strikes against him and is hiding out in the Appalachians to avoid Strike 3. Once gregarious and approachable, he has put up a wall of insulation. He does not go out nights for fear that his name will end up in the paper.

The best player in college football is not Tennessee's quarterback, Peyton Manning, who passed up millions to return for his senior year.

The best player is Randy Moss, a wide receiver who returned for his sophomore season at Marshall University only because the school is upgrading to Division I-A, joining the Mid-American Conference, and Moss wants to show NFL scouts that last year's one-man stampede through I-AA competition was not a fluke.

For Manning, perhaps, college is a love affair. For Moss, it's a holding cell.

"If I can have a decent year, half as good to the year I had last year, there would probably be nothing left to prove," Moss says.

Last year, exiled from Division I-A after Notre Dame had turned him away and Florida State had given him the boot, Moss left Marshall to the Division I-AA title with 78 receptions for 1,709 yards. His 28 touchdown catches broke the all-divisions NCAA record of 27 set in 1984 by Jerry Rice at Mississippi Valley State.

"I think the competition for I-AA was not all that good," Moss says. "It had its ups and downs."

Friends call him "the Freak" because of his athletic skills. At 6-foot-5 (2 meters) and 210 pounds (98 kilograms), Moss has Rice's size and Deion Sanders' speed.

"Runs like a scalded dog," Bobby Bowden, the Florida State coach, said of Moss.

Lou Holtz, the former Notre Dame coach, said: "Randy Moss was the best high school football player I've ever seen."

After Moss made a mockery of the I-AA title game against Montana, Wayne Hogan, the Montana athletic director and a former Florida State associate athletic director, sent a note to Bowden: "If you hadn't kicked him off the team, we'd both be national champions."

Don't think Moss hadn't considered it. He watched Florida's drubbing of Florida State in the Sugar Bowl and wondered if he could have been the difference.

He would have been in the Seminoles' starting lineup, had it not been for Strike 2, his testing positive for marijuana in the spring of 1996 while he was serving jail time for Strike 1, an assault charge stemming from a high

school fight. Those two mistakes ended any hopes Moss had for major college experience.

Dejected, he turned to Marshall, a Division I-AA power about an hour's drive from his hometown of Rand, West Virginia.

Because Marshall was I-AA, Moss did not have to sit out another season. Suddenly, college became a business proposition.

"It's not about football," Moss says. "It's just about work."

Moss was in heaven the day Notre Dame sent him a questionnaire. There would be no recruiting war. Moss was going to South Bend.

But then came March 24, 1995. As the story goes, a black friend of Moss's was sitting in class when a white student carved a racial insult into a desk and showed it to him. Moss's friend challenged the kid to a fight after school and asked Randy, also black, to provide support.

Moss says of the 700 students at his high school, only about 40 were black. He says racism was and remains a problem.

The fight was one-sided. Moss's buddy knocked the white student to the ground and kicked him relentlessly. Moss admits to kicking the student too, twice as the fight was ending. The boy wound up in the hospital with a torn spleen.

Moss's friend was not charged with a crime because he was a juvenile. But Moss had just turned 18 and was slapped with a felony, "malicious wounding."

Although charges were later reduced in misdemeanor battery, Moss was sentenced to 30 days in jail.

How much did those two kicks cost? Moss had signed a letter of intent with Notre Dame, but suddenly the Irish were not interested. Notre Dame officials insist that he was not accepted because of academic deficiencies. Moss did turn in his application late and produced an admittedly woeful effort on the required essay.

Moss says that was a disappointment, but it was not the end. Holtz called Florida State and suggested that Bowden take a chance. Florida State administrators agreed to admit Moss in 1995, provided he would sit out his freshman season. He did, then turned in a spectacular spring practice in 1996 before returning home to finish his sentence at Charleston's South Central Regional Jail.

Two days before he entered, Moss admits, he smoked dope with friends. "That was really a pretty dumb mistake, smoking marijuana," Moss says. "It was during my probation."

His probation was revoked, Florida State kicked him off the team and he was sentenced to an additional 90 nights in jail on a work-furlough program through spring and summer of 1996. The sentence was later reduced to time served through July 26.

His jail time completed, Moss called Bob Pruett who had just taken over as coach at Marshall.

In his year in Huntington, Moss has behaved himself.

"We'd not had any problems with him," Pruett says. "I think he's got a bad rap."

Moss can't wait to leave Marshall. He dreams of cashing an NFL paycheck and buying a big house on a hill somewhere not in West Virginia, overlooking water, "where I can just look out and about, where I'm separated from everybody else; get me some big land, fence around it, and be my own person."

Moss knows he's different at Marshall. He says he senses some resentment on the team and thus chooses to keep his distance.

All he wants now is to be left alone until he's in the NFL, when there will be ample time for talk and gawk.

"I can't do the things or go the places that I would have done in Florida," Moss says.

"Now it's time to keep to myself."



Athletics' Jason Giambi feeling rundown as he was unable to elude the tag by Nomar Garciaparra of the Red Sox.

Mariners Get a Fright and a Shutout

Johnson Wins, Then Dismisses Bruise on Pitching Hand as Minor

The Associated Press

The really good news for the Seattle Mariners came after their 1-0 victory over the Cleveland Indians. Randy Johnson, it seems, is all right.

Johnson was forced to leave Wednesday night's game in Seattle in the seventh inning because of a bruised middle

AL ROUNDPUP

finger on his left, or pitching, band. He aggravated an injury that he sustained Aug. 3 when he caught a ball with his bare hand.

"It's a little sore and a little swollen," Johnson said. "But hopefully it'll get taken care of in the next five days" or before his next pitching start.

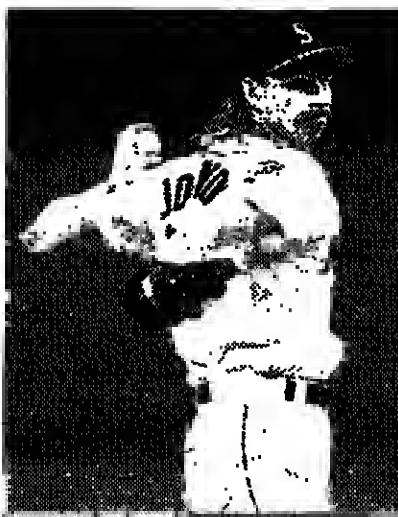
Johnson (17-4) allowed two hits and struck out eight. His victory, coupled with Anaheim's 7-3 and 8-5 doubleheader loss to New York, gave the Mariners a 1½-game lead over the Angels in the AL West.

Edgar Martinez hit his 22d homer, connecting in the fourth inning off Charles Nagy for the only run of the game.

Johnson, who leads the majors with 264 strikeouts, gave up a double by Matt Williams in the fifth and an infield single by Tony Fernandez to start the seventh.

Mike Timlin, Norm Charlton and Heathcliff Slocumb combined for three innings of hitless relief.

During the game, the Mariners made a trade to get outfielder Roberto Kelly from Minnesota for a player to be named. Kelly is expected to play left



Randy Johnson, despite a bruised finger, pitching a shutout victory.

field, the spot Jose Cruz Jr. held before he was traded to Toronto on July 31 for two relievers, Paul Spoljaric and Tim Lincecum.

Twins 11, Tigers 1 Minnesota stopped its 10-game losing streak as Brad Radke beat Detroit at Tiger Stadium.

Radke (17-7) allowed three hits in eight innings. He is the top winner for the Twins since 1991, when Scott Erickson won 20 and Jack Morris 18.

Denny Hocking, Terry Steinbach and Matt Lawton homered for the Twins.

Scott Sanders (4-11) fell to 1-5 with a 6.95 earned run average in seven starts

since the Tigers acquired him from Seattle on July 18.

Yankees 7, Angels 3; Yankees 5, Angels 5 Hideki Irabu threw his best game in a while — plus his glove and a tantrum — as New York swept the Angels at Anaheim.

Irabu, told earlier this season by manager Joe Torre to tone down his temper, kicked hard at the rubber in the seventh inning after being called for his second balk.

The second base umpire, John Hirschbeck, yelled at Irabu, prompting Torre to come out onto the field.

In the fourth, Irabu (4-2) fumbled a bunt single by Dave Hollins and tossed his glove at the ball — an illegal gesture — as it rolled into the dugout.

Derek Jeter homered twice and drove in four runs in the second game.

New York won the opener as rookie Jorge Posada hit a three-run homer to help Doc Gooden.

White Sox 12, Blue Jays 6 Albert Belle homered, doubled twice and drove in five runs as Chicago beat Toronto at Comiskey Park.

Belle matched his season high for runs batted in, going 3 for 3 with his 24th home run. His two-run double highlighted a seven-run fourth inning.

Red Sox 7, Athletics 5; Red Sox 5, Athletics 4 Mo Vaughn hit a pair of two-run doubles to lead Boston's doubleheader sweep at Oakland.

In the opener, Vaughn's double was the highlight of a seven-run fifth inning.

In the second game, he hit a tying double with two out in the ninth, and the Red Sox won in the 13th on John Valentin's run-scoring single.

Boston relievers pitched a total of 14 scoreless innings in the doubleheader.

Jose Canseco, sidelined since Aug. 1 because of lower back spasms, homered and drove in four runs for Oakland in the opener.

Orioles 4, Royals 2 Rafael Palmeiro hit two home runs and went 4 for 4 for Baltimore in Kansas City.

Palmeiro has 28 homers this season, five against the Royals. He also connected Tuesday in the first game of a doubleheader at Kansas City.

Jimmy Key (14-7) won for the first time since July 21. Randy Myers got his 37th save, tying the team record set by Gregg Olson in 1990.

Brewers 6, Rangers 2 Bryce Florie kept Texas hitless for 5½ innings and Milwaukee won for the fifth time in six games.

Florie made his seventh start after 134 career relief appearances in the majors.

Glavine 'Finally' Rewarded For Effort

The Associated Press

For most pitchers, a loss and four no-decisions wouldn't be remarkable. Tom Glavine, however, isn't most pitchers.

Glavine stopped his longest winless streak in seven years, winning for the first time since July 16 as he led the Atlanta Braves over the Houston Astros, 3-1, Wednesday night.

"Finally, a month later," Glavine said, "I've actually pitched pretty well lately and not gotten anything out of it."

NL ROUNDPUP

Pitching well, you can only take that so far and it gets frustrating. It's hard when you're pitching well and not winning, especially when the team is not winning.

Glavine (11-6) has won six straight at Houston since a 1-0 loss on June 25, 1991.

Glavine allowed two hits and five walks in seven innings and struck out a season-high nine. He also drove in a run with a squeeze bunt as the Braves completed a two-game sweep following a slump that saw them lose four of five.

Javy Lopez went 3-for-4 and hit his 19th homer.

Marlins 6, Cubs 5 Livan Hernandez (7-0) won at Miami despite allowing four runs and six hits in 5½ innings. Gary Sheffield hit his 14th homer as Florida improved to 7-0 this season against Chicago.

Cardinals 6, Expos 3 Brian Jordan doubled off Steve Kline to break a 2-2 tie during a three-run eighth, and visiting St. Louis won its third straight.

Pedro Martinez struck out 13 in 6½ innings, fanning seven straight batters in the middle of the game. He allowed three hits and two unearned runs.

Pirates 7, Padres 3 Jason Schmidt won his fourth consecutive decision since July 20 and broke an 0-for-26 slump with a key run-scoring single as the Pirates went ahead in the sixth and won for the sixth time in eight games.

Rockies 5, Reds 3 Vinny Castilla and Ellis Burks homered, and Larry Walker took one away from the Reds with a sensational catch.

In the sixth, Walker reached over the right-field wall to take a two-run homer away from Jon Nunnally, then threw to first to complete a double play.

Los Angeles's game at New York was rained out, and the teams were scheduled to play a doubleheader Thursday. San Francisco's game at Philadelphia also was postponed by rain, in Sept. 11.

DENNIS THE MENACE

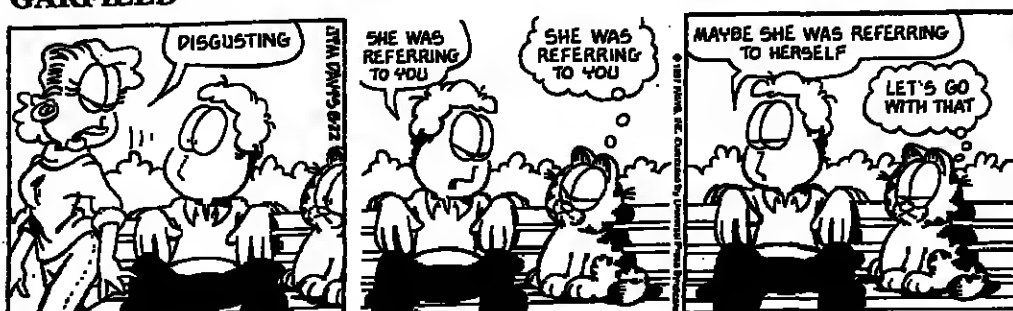


"WHAT DO YOU MEAN I HAVE TO BEHAVE? WHAT KIND OF BABY SITTER ARE YOU, ANYWAY?"

PEANUTS



GARFIELD



BETLE BAILEY



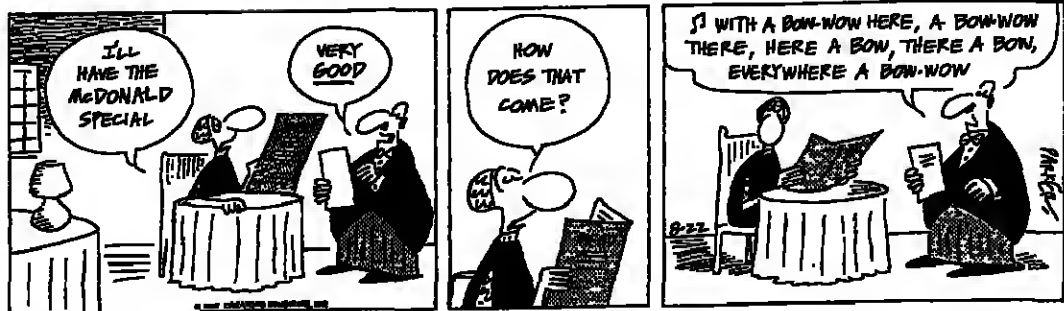
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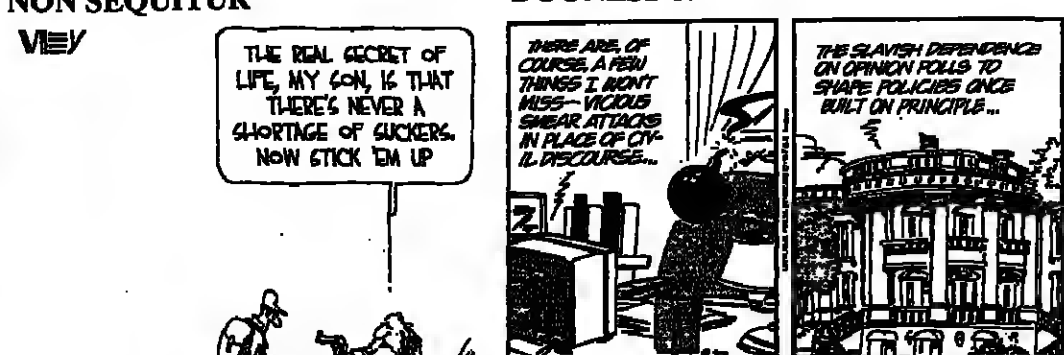
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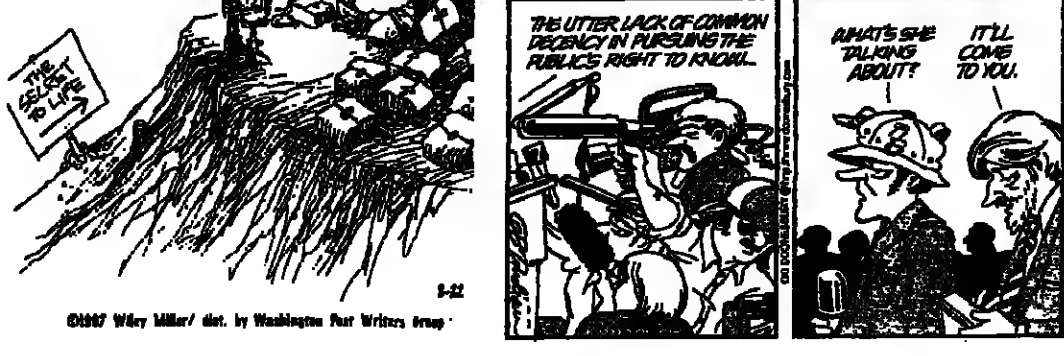
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POSTCARD

America Gets 'Cubanitis'

By Peter Watrous
New York Times Service

NEW YORK — Cubans call it "Cubanitis," a cultural virus that affects outsiders. The signs are obvious: Foreigners — sometimes, U.S. citizens — get lost in the culture and try to become Cuban, wearing beads from the Santería religion, learning the newest dances, even marrying a Cuban.

But Cubanitis does not just affect individuals. The old romance between the United States and Cuba, changed by the Cold War, is stirring, ahead of any political rapprochement.

This new interest in Cuban culture is still far from the mainstream. It can be counted in record sales in the thousands, not millions, and in a growing number of visits by Cuban musicians for concerts and club dates in a few major cities.

This summer the United States has welcomed some of Havana's best performers, including NG La Banda, Pablo Milanes and Isaac Delgado. They tour the country, drawing large audiences. And a loophole in the Helms-Burton Act allows U.S. record companies to license recordings by Cuban musicians, circumventing the embargo on trade with Cuba. Much of the best contemporary Cuban music is available or soon will be.

On a smaller scale, too, interest in Cuban culture is expanding quickly. At Caribbean Music and Dance, a San Francisco-based organization that specializes in educational tours of Cuba, business has flourished.

"We did one workshop in Cuban folklore six years ago when we started; now we do 11 events," said Melissa Daar, the company's president. "The first one had 30 people from the Bay Area, and now we have 300 people a year from all over the country. The kinds of people have also changed. The interest is broader, and people want to go to all the major cultural centers, like Matanzas and Santiago. They're getting more sophisticated."

At Descarga, a mail-order company in Brooklyn that specializes in recordings from the Caribbean, business has tripled over the last three years.

"I sell as much as I can get," said

Bruce Polin, the owner. "But I can't get enough stock. I'm always sold out of Cuban material, and I could sell, for example, 2,000 copies immediately of a new Los Van Van if I had it. And I'm just a mail-order company."

Intellectuals and celebrities are making the pilgrimage to Havana, flying first to Cancun, Mexico or the Bahamas to avoid the U.S. regulations against travel to Cuba, using the annual Havana Film Festival, which features work from across Latin America, as an excuse, or going to the Havana Biennial, an art show with a steadily growing reputation.

"When I lived in Havana, between the years of 1993 and 1995, I saw a huge increase in Americans coming to Havana, writing pieces and researching books," said Jon Lee Anderson, an American who lives in Spain. He is the author of "Che" (Grove Press), a recent biography of Che Guevara, the Argentinian radical who helped propel the Cuban revolution.

Tourism tripled while I was there, but there was this ever-growing river of journalists and academics pounding on our doors to get at the story."

American visitors to Havana often find themselves wandering into what seems like a parallel universe with a highly intelligent population, but one oddly untouched by modernity. There is a sense that, for all of its problems, the place has some sort of prelapsarian innocence, one that could vanish with the fall of Fidel Castro.

"There's a sense there of something we've lost," Anderson said. "It's so undeveloped, it has avoided the Latin shtetyness syndrome, the American cultural death due to monoculturalism, the spread of the subdivisions and the rampant overdevelopment of coasts, all the things that have devastated our own country."

Daar agrees. "My experience with tours is that the Americans are always impressed at how little everyone has, and how they make their lives as full and rich as possible, especially compared to us, who have everything, but our lives aren't almost as rich," she said. "They fall in love with the country, the people and the music, and they don't want to leave."

By Seth Faison
New York Times Service

CHONGQING, China — For a professional pool player, Meog Lang was pretty clumsy with chopsticks. He kept losing his grip on the chunks of pig's brain, which fell back into the iron pot of boiling oil and hot chili peppers.

Not that it mattered. The whole point of "hot pot," a tongue-searing experience that is a summer favorite in this city, is to bathe the morsels in a special hot, hot, hot concoction for as long as a diner can bear.

It may sound odd, but it's true: The hotter it gets outside, the more people in this corner of China like to eat the hottest food imaginable. There is no better way, many swear, to fight the sweltering heat.

"If you want to stay cool," Meng murmured between bites, once he finally got a handle on the food, "you have to get hot."

As China hurtles down the path of fast economic growth, so evident in the mishmash of construction underway in a smoggy and overcrowded city like Chongqing, some residents seem glad to cling to a few traditions. One of the most beloved, many residents say, is eating hot pot at the height of summer.

One recent evening, Meng met some friends for dinner shortly after sundown, as the temperature drifted not far from the day's peak of 39 degrees centigrade (102 degrees Fahrenheit) and an unbearable humidity hug in the air like a giant hot towel. For most mortals, simply walking down the street was enough to drench them in sweat.

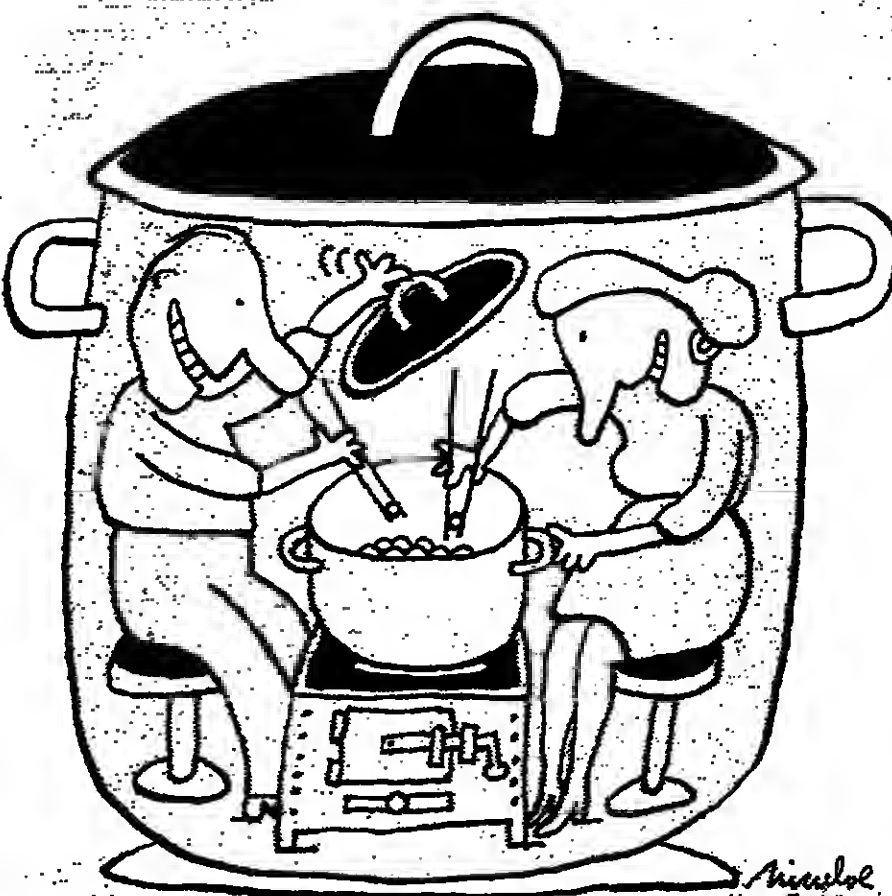
Inside the Jin Jianglan Hot Pot Center, it was even hotter. There was no air-conditioning, on purpose, and the hearth at each table was like a small furnace. The experience was somewhat like being in a sauna, only one where people are eating.

Meng and his pals took off their shirts and hung them on a book on the wall, as though it were time to get down to business, which in this case simply meant eating and sweating. So accustomed are they to the ritual, however, that none of the friends showed more than a thin bead of forehead perspiration until well into the meal.

There is no way you can feel hot when you leave here, because every place else feels cool," said Li Xiaogang, who described himself half-jokingly as Meog's apprentice at the pool table, but who is also his business manager. "Here, try some cow's throat."

The choice of edibles at any traditional hot pot can seem daunting — calf's liver, pig's brain, and cow's throat are Li's favorites, though he'll sample a few vegetables, too. But the uninitiated may have difficulty distinguishing much, in terms of taste, beyond hot chili.

"The main thing is to put enough chili peppers in with the oil, so that it's hot," said Tang Minfang, the restaurant's manager, in a mild understatement.



"Any traditional place will also add a splash of pig's blood, to give it body."

The recent appearance of fancy, air-conditioned eateries with red chintz drapes and pink tablecloths advertising themselves as hot pot restaurants seemed to offend Tang as deeply as if he were a proud guardian of a cultural relic.

"That's not real hot pot," he said, quite sternly. "They're trying to use the name of Chongqing hot pot, but it's all fake. They know nothing of real hot pot."

According to local lore, Chongqing hot pot evolved early this century among coolies whose back-breaking labor involved tugging riverboats upstream against the strong current of the Yangtze River, working in teams on the riverbanks. Underpaid and overworked, coolies could afford little for meals and often gathered around a fire and a common pot, into which they dipped any food they could get their hands on.

People in Chongqing, translocated as Chungking when it was the wartime capital of China's Nationalist government, have been eating hot pot ever since, Tang said.

Back at the pool players' table, the conversation turned to important issues, like a future tournament.

"Is Fat Wang coming?" asked Meog, as he fished around in the pot for yet another misplaced animal part. "We have to make sure we don't go up against him."

Meog's wife came in and plopped down on a seat beside her husband. "You haven't started sweating. Just begin?" she asked, as though this was a standard way to judge progress in a meal.

Another friend explained quietly that Meng's wife is the daughter of the district head of police, a big cheese by any measure. By extension, so is she, and since she married him last year, so is Meng.

Yet as they took turns dipping their chopsticks into the cauldron of hot sauce, Meng and his wife looked like any other Chongqing residents, preparing to sweat up a storm.

"Everyone likes hot pot," she said. "It's best in the summer, when it's hot."

ART AND POLITICS

At 95, Hitler's Favored Director Still Provokes

By Alan Cowell
New York Times Service

HAMBURG — Leni Riefenstahl turns 95 on Friday, and if she imagined that the years would diminish the stigma she accumulated 60 years ago and more as Hitler's favored moviemaker, then she was — apparently — wrong.

When an exhibit of her work — the first in postwar Germany — opened here last week, the focus was on those denouncing her roots in the Third Reich and on a debate about a particularly troubled corollary: Can art that grew in such soil ever transcend its origins?

"The discussion is, in fact, more interesting than the exhibit," said Andreas Schlueter, who arranged the exhibition of 50 postwar color photographs and prewar black-and-white film clips at his second-floor gallery close to Hamburg's main railroad station.

Riefenstahl has staked out her own position in the debate. "Can art be separated from politics?" she said in a telephone interview from her home on the Starnbergersee in Bavaria. "If an artist is possessed by his art, then he does not have the possibility to do anything else."

An admiring Hitler sought out Riefenstahl to direct what has been termed the most notorious documentary ever filmed — "Triumph of the Will" — a depiction of the Nazi Party rally that became a central motif of Hitler's dictatorship.

In scenes that have chilled subsequent generations, the documentary shows the massed banners and uplifted faces of Hitler's devoted followers marching by his podium. Yet, Riefenstahl insisted this week, "It was only a documentary. It could be used for propaganda purposes, but I didn't make it as propaganda." The film, she recalled, won a major award as a documentary in Paris in 1937.

"Triumph of the Will" was followed by her renowned documentary coverage of the 1936 Berlin Olympics, "Olympia," cementing her reputation as a documentary maker entwined with the Nazi ideology of Aryan supremacy. So close was the association that Time magazine, she recalled, once referred to



One of Leni Riefenstahl's photos.

her erroneously as Hitler's girlfriend.

At the core of the argument over the exhibition is postwar Germany's unresolved fixation with its history. Almost routinely, the past rears up — with the warning that it should not be repeated.

At Schlueter's gallery, the discussion is tinged with a further question: Is there a statute of limitations, so to speak, for those, like Riefenstahl, who spent three years after World War II in American and French internment camps and who underwent the process known as denazification in which Germans were supposed to equip themselves to begin anew?

"This is really a significant question," Schlueter, 36, said in an interview during which he acknowledged deep admiration for Riefenstahl's work, first as a filmmaker in the 1930s and then as a photographer in the postwar era. (Even today, despite her years, she is working on a deep-sea video reflecting her fascination with submarine themes. She learned to dive more than 20 years ago when she was in her 70s. Three days after her birthday, she plans a diving trip

to Hawaii to work on her next film.)

"For 50 years, Leni Riefenstahl has been working with photography," Schlueter said. "There is a postwar person here and perhaps one can make a distinction between that person and the prewar filmmaker."

Even then, Riefenstahl challenges the stereotype of herself as what Schlueter described as "a synonym for the Third Reich." Of the Holocaust, she says: "I did not know what was going on. I did not know anything about these things."

Riefenstahl's rise to preeminence among German filmmakers began in 1932 when she directed "The Blue Light," the story of an innocent mountain girl, which reflected the interest in mountain themes she had discovered starring in Arnold Fanck's dramatic movies. It was that film that caught Hitler's eye and led him to ask her to make "Triumph of the Will."

Riefenstahl says she began to have doubts about Hitler, whom at first she greatly admired, in 1937 because his views on art conflicted with hers. The war, in effect, ended her filmmaking.

During her detention from 1945 to 1948, she said, she repeatedly insisted to her captors that she had not been a Nazi Party member and had "never uttered an anti-Semitic phrase and was over a racist." Nonetheless, her past caught up with her: No one would hire her to make movies. And even when she turned to color photography and traveled to the Sudan to take a series of photographs of Nubians, which appeared in book form in the 1970s, she was again accused of pursuing the "fascist aesthetic" of glorification of the male body.

Critically, the current exhibit has inspired a huge surge of interest in Riefenstahl and her work. She has been interviewed for most of Germany's major weekly publications — Der Spiegel, Stern and Die Zeit, for instance. But the attention has not always been flattering. Interviewers have again pursued her association and fascination with Hitler, and critics have challenged the merit of her photography. But other, older Germans, Schlueter said, have left the exhibit in a nostalgic and sympathetic mood.

PEOPLE

TWO political heavies in Washington are just saying no, and it shows. President Bill Clinton and House Speaker Newt Gingrich exhibit leaner profiles as a result of dieting this year. Clinton shed about 15 pounds (7 kilograms) after his knee injury in mid-March, bringing his weight down to about 200 pounds. The president, who celebrated his 51st birthday Tuesday, has tried to cut out desserts and limit himself to two meals a day by skipping breakfast, a spokesman said. Asked how the First Dieter is doing in resisting his penchant for fast food, the spokesman said, "I haven't seen a lot of it around."

Gingrich, meanwhile, told the late-night talk show host Jay Leno that he has lost about 25 pounds from a top weight of 250 pounds. But Gingrich, 54, said that the last stretch of recent hudgetalks — which included deliveries of stacks of pizzas — may have added a few pounds that will have to be trimmed.

Princess Diana has left Greece after eluding reporters during a quiet six-day cruise around the Aegean Sea. Diana and a friend, Rosa Monckton, returned to Athens and left aboard a private jet that a Greek television network said belonged to Harrods, the London department store owned by Mohammed al Fayed. According to the crew of the charter yacht Della Grazia, al Fayed's son Dodi, Diana's apparent new beau, did not join her on the cruise. "She was calm, happy and out at all depressed," said the yacht's captain, Kostas Vardalos. "The only times she got very upset was when she read the newspapers."

And speaking of yachts, the British pop star Sting, cruising along Turkey's Aegean and Mediterranean coast, urged the country to keep sea-side development in check. "Such unique bays, beautiful sea, greenery and sun cannot be found all over the world," Sting told the Anatolia news agency. Sting, who has toured the globe giving concerts to raise money for the preservation of the Amazon rain



CHRISTMAS IN AUGUST — Santa Claus and the Rockettes in an annual summer performance outside Radio City Music Hall in New York.

forest, is aboard a yacht with the film star Dustin Hoffman and their families.

Chancellor Helmut Kohl and Penthouse have reached an out-of-court settlement after the German leader sued the magazine over publication of a caricature depicting his wife, Hannelore, draped across the hood of a Mercedes in a lascivious pose. A spokesman for the Chancellery in Bonn said Thursday that the magazine's publisher, Petri Verlag, and its chief editors had assured Kohl that they never intended to insult him or his wife. Penthouse is to pay undisclosed compensation, which will be passed on to a charity.

The Beat Comes to Brasilia

Agence France-Presse

BRASILIA — For four days, Brasilia will try to shake its reputation as Brazil's somewhat bureaucratic, sleepy capital when it launches an off-season carnival that is expected to bring 350,000 people onto the city's streets. Sponsors said the event, called the Micareandanga, will have partygoers dancing to the beat of "axe" music from the more traditionally dance-crazed region of south-west Brazil. The mini-carnival, running until Sunday, is designed "to make sure that the wait for the real Carnival in February doesn't become too long and tiresome," according to Sergio Monday, a festival organizer. Among the main events is a procession through the city, accompanied by music from dozens of floats.

Madrid's Opera is reopening in October with a glittering season including a world premiere starring Plácido Domingo. After nine years of refurbishment, the opera now has the best stage in the world, according to Madrid's regional president, Alberto Ruiz Gallardon.



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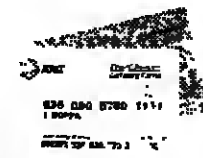
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